



Welcome

The FY 2006 Approved Operating Budget Summary for Howard County, Maryland is presented using Adobe Acrobat Reader. To navigate through this document begin by clicking on **bookmarks**. The various sections of the budget can then be accessed.

Please address any comments, questions or concerns regarding this cd to the Howard County Office of Budget. Our telephone number and email address is listed below. Thank you.

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Howard County, Maryland

Approved Operating Budget, Fiscal Year 2006

Submitted by

County Executive
James N. Robey

Approved by

The County Council

Guy Guzzone, Chairman
David A. Rakes, Vice Chairman
Charles Feaga
Christopher J. Merdon
Ken Ulman



Howard County, Maryland

Approved Operating Budget Summary, Fiscal Year 2006

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Howard County, Maryland

Approved Operating Budget, Fiscal Year 2006

Our Mission

Howard County is widely recognized as being a great place to live and work. The mission of the Howard County Government is to enhance this well-deserved reputation by promoting an open, responsive government that involves and serves the community, and that provides fiscal responsibility to ensure a solid foundation for the future. To do this we will:

- ☐ Have a compassionate, friendly, service -oriented, efficient and effective government.
- ☐ Renew and reinforce public confidence and involvement in all the areas of county government.
- ☐ Use every tax dollar efficiently.
- ☐ Emphasize quality education, health, safety and welfare for all our citizens.
- ☐ Develop and implement growth management tools that will encourage orderly and planned growth in accordance with the principles in the general plan.
- ☐ Create and implement comprehensive plans and actions to achieve the mission.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Howard County
Maryland**

For the Fiscal Year Beginning

July 1, 2004

Nancy L. Ziehl
President

Jeffrey R. Egan
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the Howard County Government Budget Office for its annual budget for the fiscal year beginning July 1, 2004.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Fiscal 2006 Budget Summary

April 18, 2005

Dear Chairman Guzzone,

The proposed operating budget for Fiscal Year 2006 demonstrates that we are back on track financially and moving forward in our goal to reestablish equilibrium within our budget structure.

Better than expected revenue growth over the past year has provided the County with an opportunity to make up some of the ground we lost during the past three years. My proposal is optimistic but guarded. Even at this level of funding the budget is almost \$13 million below the budget requests we received. However, I am confident that this proposal enables our agencies to recover significant position in providing services to our residents.

Upon review of this budget proposal, you will see that for the second consecutive year we are on firm footing. This budget provides Howard County with a steady foundation through next fiscal year that is based on sensible funding decisions and a \$61 million increase in revenue. These funds have been directed primarily toward those service areas that are critical to the quality of life of our residents --- a necessity if we are to further the long-term stability of Howard County.

The budget I have outlined strives to preserve the fiscal and social integrity of our County with an overall increase of 10% in the general fund. A significant part of that increase comes from our good financial condition in FY 2005. This year's budget includes more than \$11 million in pay-as-you-go funding from FY 2005 -- without that money, this year's increase would be 8.2%. This means that for the first time in several years we will be able to provide more than the continuation of essential services and measures that are imperative to the fiscal soundness of the County.

My operating budget proposal for FY 2006 allocates \$1,067,786,818 throughout all funds -- a 10.5% increase over last year's approved budget. Within that total is a proposed General Fund budget of \$667,272,627 -- an amount that is \$61.2 million or 10% more than last year. An \$11.2 million increase in pay-as-you-go funds returns that line item to a more desirable level than previously achievable. In

fiscal years 2003, 2004 and 2005 the combined pay-go total equaled only \$5.2 million as compared to an average level of \$23.6 million each year in fiscal years 2000, 2001, and 2002

Education remains my top priority for new funds, with 60% of the overall budget proposal dedicated to our public school system. The \$28 million increase represents 62% of new revenue and an 8.4% increase over last year. When combined with a \$14.5 million allocation from the State, the Board of Education will receive a total of \$42.5 million new dollars. Howard Community College receives an additional \$1.3 million, an increase of 7.13% over fiscal year 2005.

In public safety, funds are allocated for 10 new police officers for one-half of the year and a new forensic chemist position to conduct on-site drug testing. Currently, lab analyses are performed off-site and delays in turn-around times compromise court cases; serious concerns have been raised on this issue by both the Police Department and State's Attorney Office. My budget also strengthens the ranks of the Department of Fire and Rescue by funding 15 new firefighter positions for the full year within the existing fire tax revenue. Additionally, 2 deputy sheriff positions have been added to increase security at the County courthouse.

A significant restoration feature of this budget is \$1.5 million in funding for 39 positions previously frozen throughout our departments. Funding for over 100 positions has been held the past two years in order to allow us to operate within those years' reduced revenue stream. With this year's improving revenue outlook, I have opted to ease some of the increased demand the vacant positions were placing on programs and personnel.

The employees within our workforce remain of utmost importance to me and I continue to pursue ways for assuring the competitiveness of our salary scales within the region. Toward that end, my budget proposal also includes a 3% adjustment to the county's salary base effective July 1, 2005. Funding for steps, as well as performance awards for eligible employees, is also included.

Fiscal 2006 Budget Summary

In addition to \$3 million for the salary scale adjustment, other day-to-day operational fixed costs account for approximately \$5.5 million additional dollars including: \$1.5 million for health insurance, \$3 million for pension costs, a \$700,000 increase for the rising cost of fuel, and \$600,000 to cover increased inmate medical care costs.

In partnership with key community-wide initiatives, my proposal includes a \$3 million grant to help pay for the expansion of Howard County General hospital, \$250,000 to conduct a community design study for Columbia's Town Center, and \$100,000 to help with the dredging of Lake Kittamaqundi.

I have increased funding for Community Service Partnership Grants increases by 8.65%, with \$15,000 added to support economically disadvantaged Spanish-speaking residents and another \$15,000 to support information and referral services for the Korean-American community.

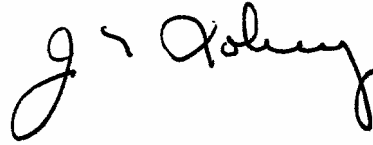
Finally, the budget also includes a \$50 increase in the county trash fee to \$175 per year. Instituted July 1, 1996, the fee has remained unchanged and is one of the lowest charged for refuse collection service within the Baltimore-Washington Metropolitan region. The trash fund has operated at a loss for the last 3 years, but was able to remain solvent through the use of surplus revenue generated in the 1990s. By law, the fund must be self-supporting and cover all operating costs. General Fund revenue cannot be used to compensate for shortages. The proposed increase will generate an additional \$4 million for the environmental services fund.

In conclusion, I am pleased to be able to present a relatively improved picture in the FY 2006 budget. The budget delivers good value for every tax dollar spent and protects our precious quality of life. It maintains needed community services and helps relieve the added burden that has been placed on our employees over the last three years.

I want to thank all the employees, department directors and citizens for their advice and assistance in compiling this budget.

As always, my staff is ready to assist you in your review.

Sincerely,



James N. Robey
Howard County Executive

Fiscal 2006 Budget Summary

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Fiscal 2006 Budget Summary

About the All Funds Budget

When the question is raised – “What is the size of the budget?” – it is usually answered by referring only to the General Fund. That response is not complete. The budget is a comprehensive plan of all of the funds spent by county agencies. On this page and the two following summary pages is a review of all funds budgeted. Numbers are presented on a budgetary accounting basis rather than a GAAP basis

The General Fund is the portion of the budget where general tax revenues, such as property and income taxes, are collected, and where general expenditures such as the county’s cost for education, police, snow removal and libraries are made. However, in recent years a larger percentage of the

county’s expenditures have come in what are known as special revenue funds. In these funds, revenues collected are for a special purpose and can only be spent for that purpose. These funds collect and spend revenues for many essential services including fire and rescue services, trash collection and disposal and water and sewer.

The county operating budget also includes a class of funds called Internal Service Funds. They are not included in this list because they spend money collected from the general and special revenue funds. Also, the list does not include funds that support the capital budget.

The list below includes a more complete picture of the total county operating budget.

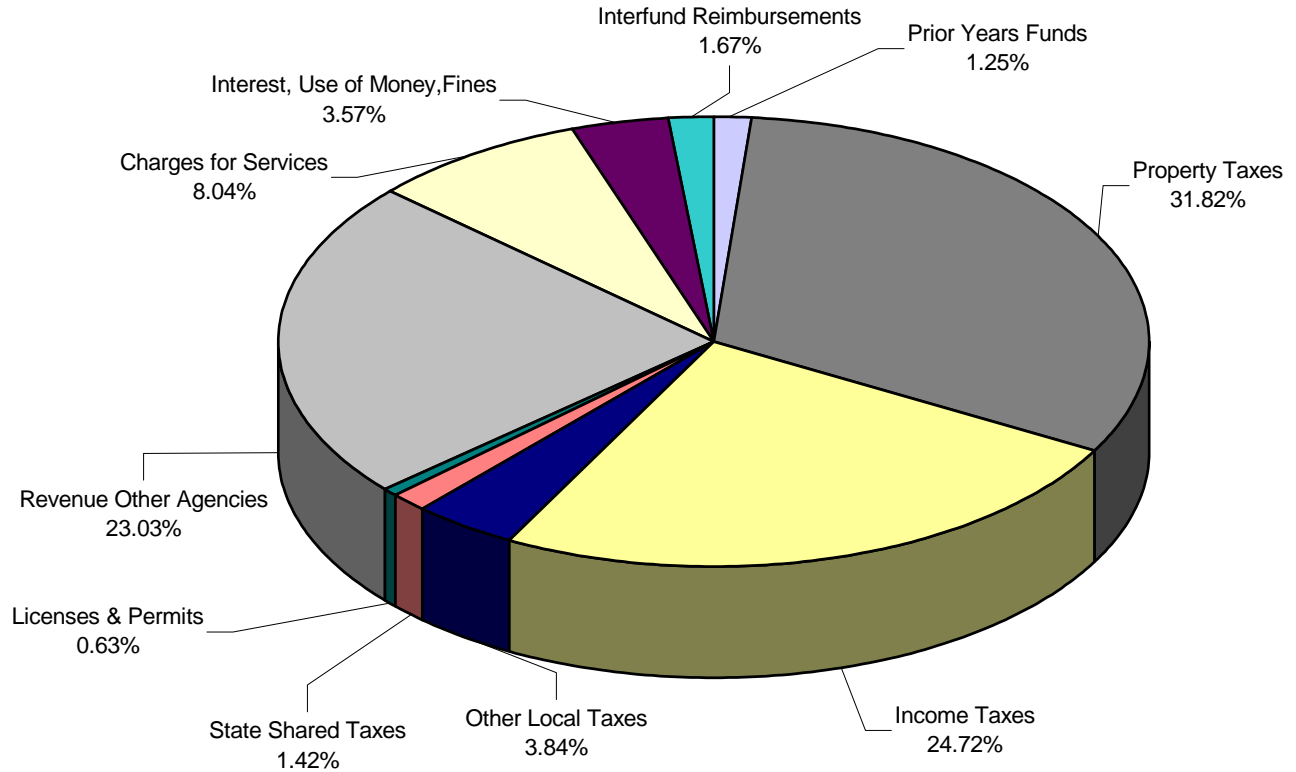
The Howard County Budget

	FY 2004 Audit	FY 2005 Budget	FY 2006 Approved	Percent Change
General Fund	550,415,810	606,008,404	666,253,400	9.94%
Agricultural Land Preservation	6,231,260	25,487,504	30,395,888	19.26%
Community Renewal(Housing)	6,147,013	9,865,933	9,092,845	-7.84%
Other Non County Funds	140,403,978	158,364,980	183,396,139	15.81%
Metro & Rural Fire & Rescue Districts	32,982,208	40,640,331	40,472,816	-0.41%
Water & Sewer	27,192,127	32,641,634	35,656,953	9.24%
W&S Special Benefit (Debt Service)	14,967,985	15,453,349	15,426,585	-0.17%
Middle Patuxent (Debt Service)	263,893	295,225	277,500	-6.00%
Environmental (Trash Collection)	11,730,647	13,102,227	15,572,719	18.86%
Grants Fund	20,846,623	36,619,931	48,423,259	32.23%
Self Sustaining Recreation Programs	9,376,857	11,475,388	11,738,722	2.29%
Recreation Special Facilities (Golf Course)	1,879,214	2,525,589	2,314,095	-8.37%
State Health Department	7,598,944	13,948,246	8,934,921	-35.94%
Total	830,036,559	966,428,741	1,067,955,842	10.51%

Fiscal 2006 Budget Summary

All Funds Budget

How the Budget is Funded

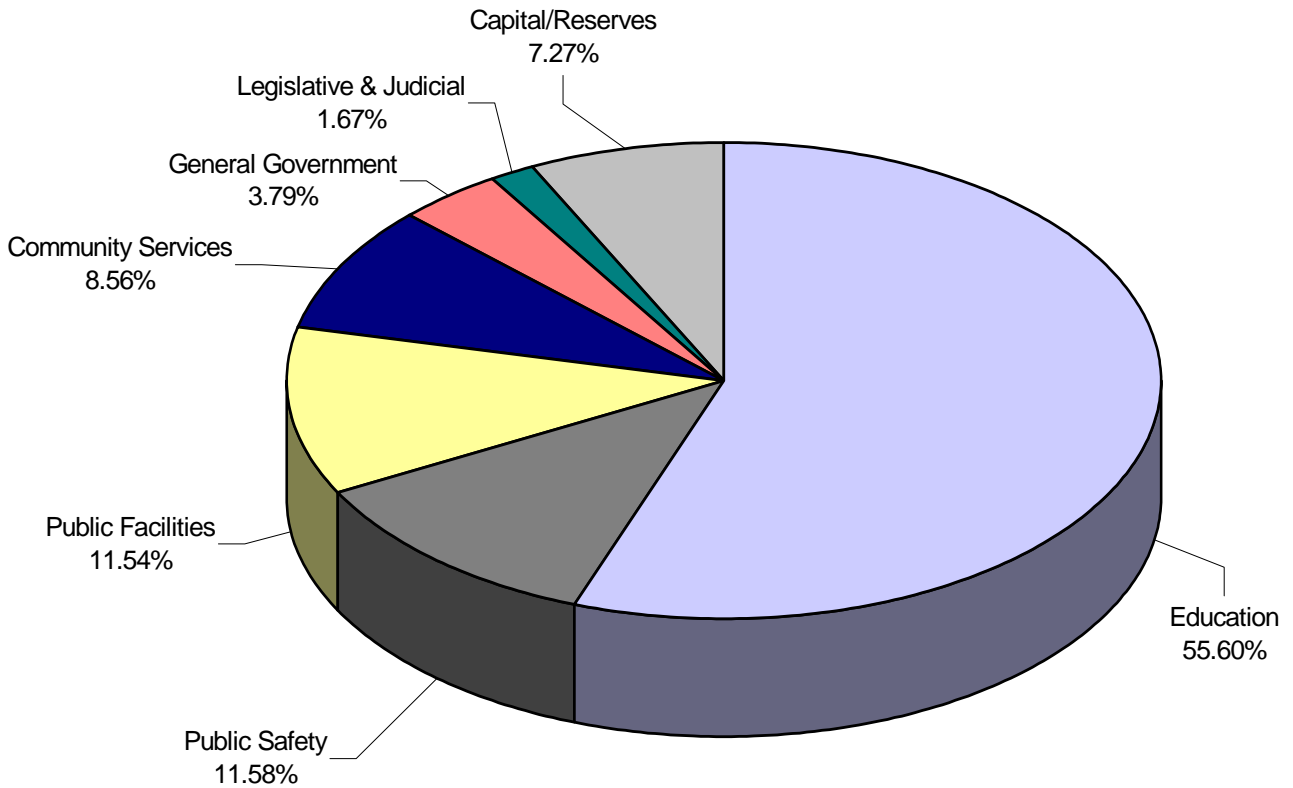


	Audit Fiscal 2004	Percent Change	Budget Fiscal 2005	Percent Change	Approved Fiscal 2006
Prior Years Funds	5,420,519	-98.52%	80,000	16637.14%	13,389,714
Property Taxes	299,628,142	6.63%	319,491,869	6.37%	339,828,642
Income Taxes	204,416,863	17.41%	240,000,000	10.00%	264,000,000
Other Local Taxes	39,330,777	-10.56%	35,175,698	16.70%	41,051,000
State Shared Taxes	10,057,401	17.49%	11,816,152	28.43%	15,175,994
Licenses & Permits	7,787,431	-19.96%	6,232,800	7.68%	6,711,300
Revenue Other Agencies	171,397,910	24.58%	213,522,958	15.17%	245,924,115
Charges for Services	72,209,161	9.81%	79,295,967	8.31%	85,883,917
Interest, Use of Money	4,671,636	672.57%	36,091,528	5.71%	38,151,663
Interfund Reimbursements	24,457,587	1.08%	24,721,769	-27.84%	17,839,497
Total Budget	839,377,427	15.14%	966,428,741	10.51%	1,067,955,842

Fiscal 2006 Budget Summary

All Funds Budget

How the Budget is Spent

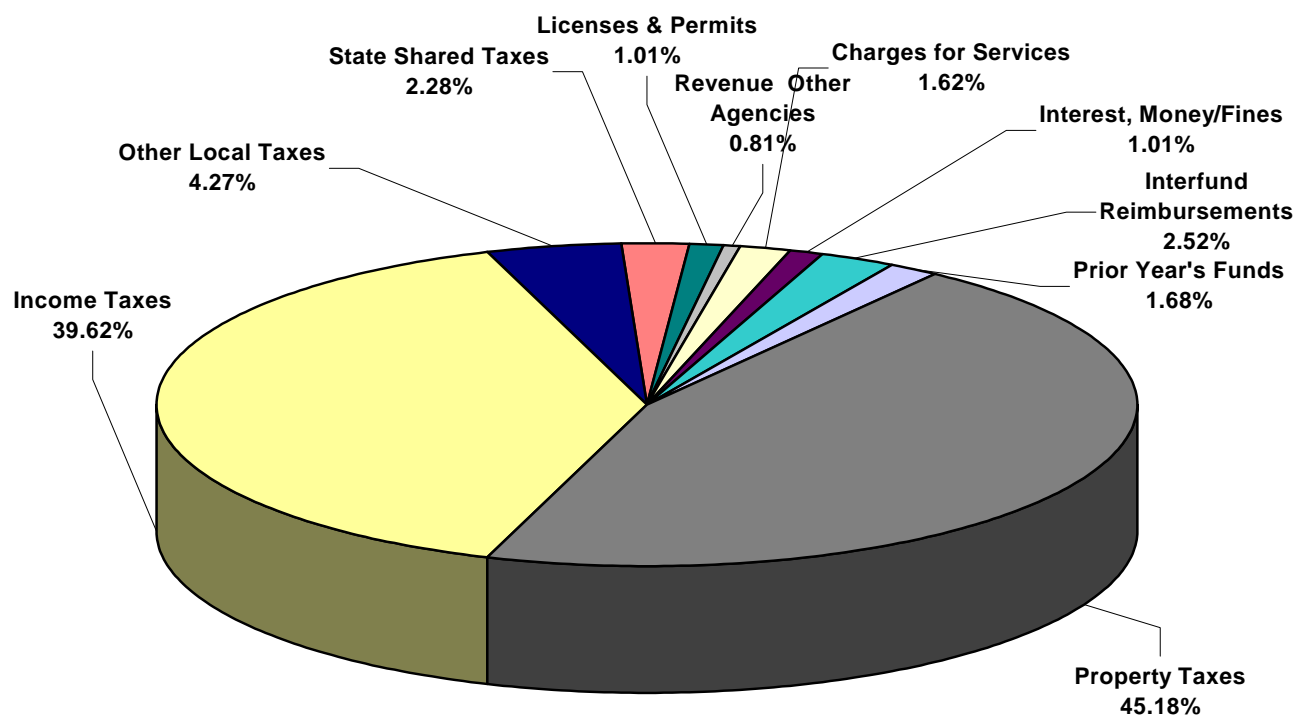


	Audit Fiscal 2004	Percent Change	Budget Fiscal 2005	Percent Change	Approved Fiscal 2006
Education	489,722,051	10.52%	541,240,740	9.71%	593,793,364
Public Safety	91,732,221	20.09%	110,160,122	12.31%	123,720,566
Public Facilities	110,572,390	2.64%	113,489,467	8.56%	123,209,612
Community Services	71,944,536	17.34%	84,416,476	8.26%	91,387,284
General Government	24,155,624	50.17%	36,274,115	11.45%	40,426,604
Legislative & Judicial	14,817,843	12.61%	16,686,892	6.78%	17,818,989
Capital/Reserves	27,091,894	136.83%	64,160,929	20.94%	77,599,423
Total Budget	830,036,559	16.43%	966,428,741	10.51%	1,067,955,842

Fiscal 2006 Budget Summary

General Fund Revenues

How the Budget is Funded

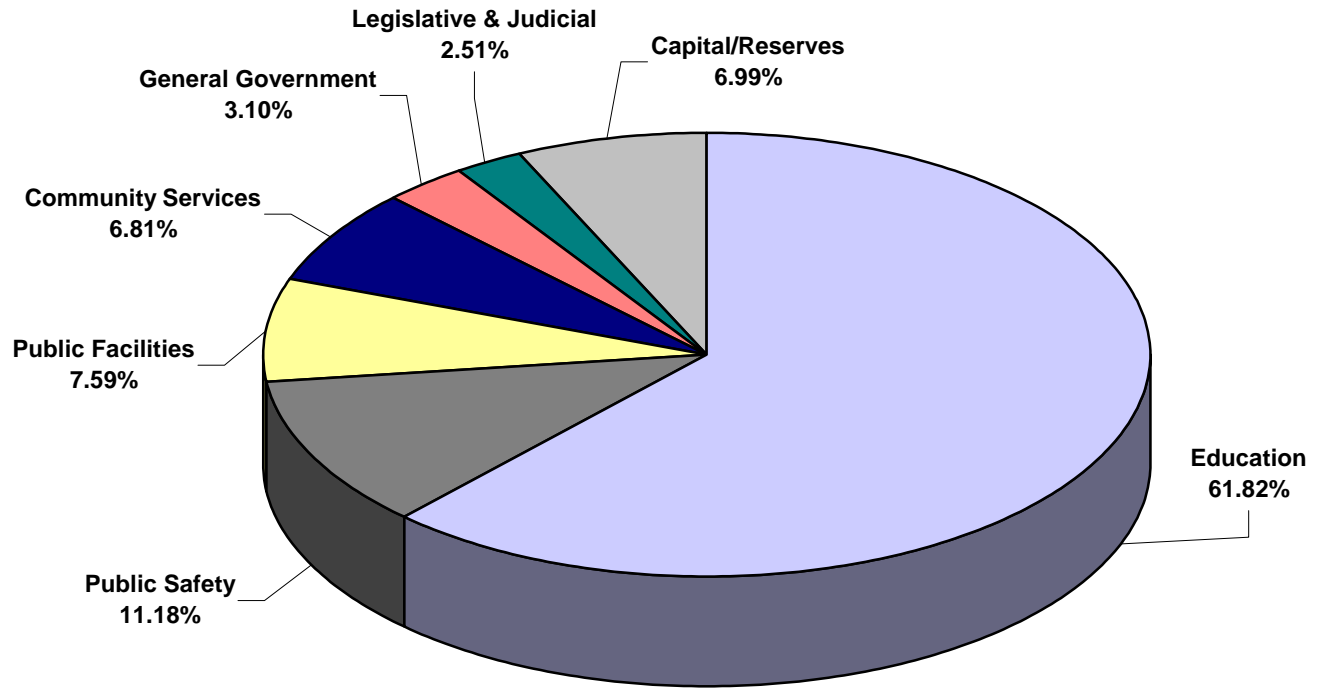


	Audit Fiscal 2004	Percent Change	Approved Fiscal 2005	Percent Change	Approved Fiscal 2006
Prior Year's Funds	3,106,825	-99.81%	6,000	186500.02%	11,196,001
Property Taxes	267,578,807	6.36%	284,603,550	5.76%	300,998,157
Income Taxes	204,416,863	17.41%	240,000,000	10.00%	264,000,000
Other Local Taxes	27,007,897	-7.25%	25,050,000	13.58%	28,451,000
State Shared Taxes	10,057,401	17.49%	11,816,152	28.43%	15,175,994
Licenses & Permits	7,787,431	-19.96%	6,232,800	7.68%	6,711,300
Revenue Other Agencies	5,716,941	-6.66%	5,336,143	1.48%	5,415,143
Charges for Services	9,781,313	-6.41%	9,154,500	17.87%	10,790,500
Interest, Money/Fines	6,551,342	-36.14%	4,183,665	61.45%	6,754,603
Interfund Reimbursements	19,177,869	2.33%	19,625,594	-14.60%	16,760,702
Total Revenues	561,182,689	7.99%	606,008,404	9.94%	666,253,400

Fiscal 2006 Budget Summary

General Fund Expenditures

How the Budget is Spent



	Audit Fiscal 2004	Percent Change	Budget Fiscal 2005	Percent Change	Approved Fiscal 2006
Education	348,051,387	9.21%	380,107,492	8.36%	411,899,461
Public Safety	58,179,903	15.62%	67,269,921	10.76%	74,510,870
Public Facilities	43,383,551	5.42%	45,734,081	10.55%	50,558,641
Community Services	43,034,304	-3.90%	41,356,968	9.73%	45,380,436
General Government	16,538,874	13.00%	18,689,659	10.57%	20,664,919
Legislative & Judicial	14,135,897	11.95%	15,825,347	5.53%	16,700,621
Capital/Reserves	27,091,894	36.66%	37,024,936	25.69%	46,538,452
Total Expenditures	550,415,810	10.10%	606,008,404	9.94%	666,253,400

Fiscal 2006 Budget Summary

Questions About the Budget

Every year, questions are asked about the budget. The purpose of this section is to provide this information up front in the budget process. Unless otherwise noted, the questions and answers refer to the General Fund Operating Budget of the county.

Q. How much revenue does a one-cent increase in the real property tax rate generate?

A. Due to the change in assessment procedures adopted by the Maryland General Assembly as part of the "Truth in Taxation" law, each one-cent increase in the real property tax rate automatically generates a 2.5 cent increase in the personal property tax rate imposed on businesses in the county. **Thus, for FY2006 each cent of increase in the real property tax generates \$2,845,698 along with a 2.5-cent increase in the corporate personal property tax, which generates \$336,369 for a total of \$3,182,067.** A result of this change is a one-cent increase in the rate this year generates more revenue than it did in prior years. To be equivalent to a one-cent increase in past years the real property rate would increase by only four tenths of a cent, which would automatically result in a one-cent increase in the personal property tax rate.

Q. This year, the real property tax rate will be \$1.044 per \$100 of assessed valuation. This rate is the same as last year. How will this affect the tax bill of an owner of a home in Howard County?

The chart below shows property taxes paid for FY2005 and for FY2006 at the same rate. On average, residential assessments increased by 5.0% over last year. That reassessment increase will be reflected in the taxes paid in FY2006.

Home Value	Taxes FY2005	Taxes FY2006	Difference
\$200,000	\$2,088	\$2,192	\$104
\$250,000	\$2,610	\$2,740	\$130
\$300,000	\$3,132	\$3,287	\$155
\$350,000	\$3,654	\$3,837	\$183

Q. The General Fund portion of the Revenue Budget has increased by \$60.2 million. How were those increased current revenues distributed in the budget and what percent of the increase did each area receive?

Education	\$ 29.1 million	48.3%
Education Debt Service	\$ 2.7 million	4.5%
Public Safety	\$ 7.2 million	12.0%
Community Services	\$ 3.9 million	6.5%
Public Facilities	\$ 4.6 million	7.6%
Other	\$ 12.7 million	21.1%

Q. What is the status of the County's Rainy Day Fund?

The Charter requires the county to maintain a Rainy Day Fund of up to 7% of the latest audit of general fund expenditures at the time the budget is adopted. It further requires any surplus the county generates go into the fund until that goal is reached. When the goal is reached, any surplus can only be spent on capital projects, one-time expenditures or debt reduction. The current balance of the Rainy Day Fund is \$34,696,561. For FY 2006 the mandated level of the fund is based on audited spending for FY 2004. Seven percent of that amount will require a Rainy Day Fund of \$38,509,454. That is \$3,812,893 below the amount currently in the fund. The county ended FY 2004 with an undesignated surplus of \$749,606. This amount will be appropriated to the Rainy Day Fund in FY 2006. In addition, the county estimates it will have a surplus of at least \$16.5 million at the end of FY05. Of this amount, \$3,063,287 will also be appropriated to the Rainy Day Fund in FY 2006 and bring the fund up to the mandated level.

Q. What are the County tax rates for FY2006?

The **Property Tax Rate** is \$1.044 for real property and \$2.61 for eligible personal property owned by businesses in Howard County. This rate is unchanged from last year.

Fire and Rescue District Taxes:

In FY2006 property tax rates in both Fire and Rescue Districts are unchanged from the previous year.

Fiscal 2006 Budget Summary

Metropolitan Fire and Rescue District:

Real Property: 12.55cents

Personal Property: 31.375 cents

Rural Fire and Rescue District:

Real Property: 10.55 cents

Personal Property: 26.375 cents

Local Income Tax – Previously, this rate was stated as a percent of the State income tax liability as a “piggyback tax”. As a result of State Legislative action this rate has been restated as a percent of Maryland Taxable Income. The rate in Howard County is 3.2%. This rate is unchanged from the level adopted last year.

Admission Tax – Admissions and amusements are charged at 7.5% rate. All live shows, concerts, agritourism, and certain athletic activities are charged at a 5% rate.

Recordation Tax - \$2.50 for each \$500 of value when property is sold and title recorded.

Mobile Home Tax – 10% of gross annual rents up to \$3,600. Amounts above that are taxed at 5%.

Hotel Motel Tax – 5% of the room rental charges for visitors using county motels and hotels.

Local Property Transfer Tax – 1% of the value of the property being transferred. This revenue is not included in the General Fund, but is dedicated to special revenue funds as follows: 25% of the receipts for school land acquisition and construction, 25% for park construction and development, 25% for agricultural land preservation, 12.5% for housing and community development, and 12.5% for the fire and rescue service.

Q. What are the major changes in fees and charges in FY2006?

The following is a list of most of the major changes. For a complete listing, please see the FY2006 User Fees and Charges Book.

REFUSE COLLECTION

The refuse collection charge will be increased from \$125 to \$175 per year. This is the first time this fee has been increased since it was initiated in FY97. The landfill annual residential permit fee will be eliminated. Howard County residents will now be

able to drop off household waste refuse at the landfill free of charge.

For a more complete list of fees and charges see the *FY06 User Fees and Charges* book.

Q. What changes have been made in the total number of County, Education, Health, and Library employees?

For FY 2006 there is an increase of 254.9 positions in the Board of Education budget, 16.55 in the Community College and 2.00 for the Howard County Library. The county workforce includes 37.25 new positions. For more details regarding positions see pages 17 -19 of this summary.

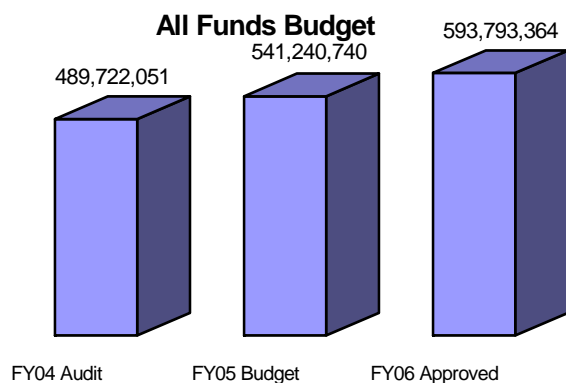
Fiscal 2006 Budget Summary

All Funds Budget

Education

Outlook for 2006

- This budget provides \$28 million in new local dollars to fund the priorities of the Board of Education for new and ongoing programs.
- Howard Community College will provide increased compensation and benefits for faculty and staff; and pay higher costs for electricity due to higher bid prices and the opening of the Arts and Humanities building in late fiscal year 2006.



	FY 2005	FY 2006	% Increase Decrease
Board of Education	488,446,797	534,479,862	9.42%
General Fund Operating	334,590,015	362,590,015	8.37%
Debt Service	27,206,042	30,279,712	11.30%
Federal/State/Other	126,650,740	141,610,135	11.81%
Howard Community College	52,793,943	59,313,502	12.35%
General Fund Operating	15,925,918	17,060,732	7.13%
Debt Service	2,385,517	1,969,002	-17.46%
Federal/State/Other	34,482,508	40,283,768	16.82%
TOTAL	541,240,740	593,793,364	9.71%

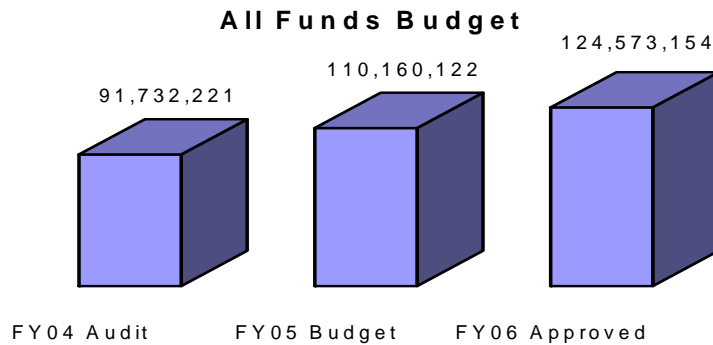
Fiscal 2006 Budget Summary

All Funds Budget

Public Safety

Outlook for 2006

- Partial year funding for 10 new Police Officers and equipment.
- Full year funding for 1 Forensic Chemist
- Full year funding for 15 new Firefighter positions
- Partial year funding for 1 civilian stores clerk position in Fire and Rescue



	FY 2005	FY 2006	% Increase Decrease
Police	60,496,722	66,349,359	9.67%
General Fund Operating	57,114,704	62,936,891	10.19%
Grant Fund	3,382,018	3,412,468	0.90%
Corrections	10,184,826	11,610,979	14.00%
General Fund Operating	10,159,826	11,573,979	13.92%
Grant Fund	25,000	37,000	
Fire & Rescue Service	39,478,574	46,612,816	18.07%
Metropolitan Fire Tax Fund	34,968,528	38,925,386	11.32%
Rural Fire Tax Fund	1,260,046	1,547,430	22.81%
Grant Fund	3,250,000	6,140,000	88.92%
TOTAL	110,160,122	124,573,154	13.08%

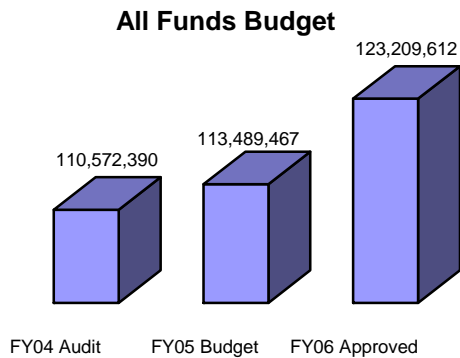
Fiscal 2006 Budget Summary

All Funds Budget

Public Facilities

Outlook for 2006

- Funding for the Department of Public Works includes 5 new positions; 4 for the Water & Sewer Division and 1 for the Environmental Services Division.
- The Department of Inspections, Licenses and Permits' web-based state-of-the-art permitting system is scheduled to go live around January of this fiscal year.
- Partial funding is included for 1 Engineering Specialist in the Department of Planning and Zoning

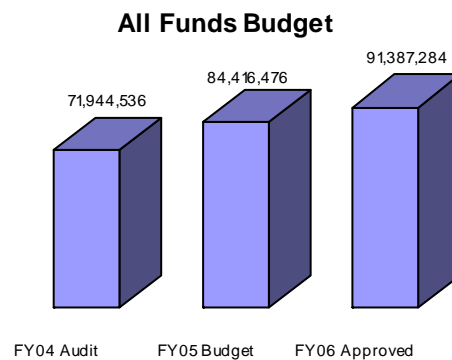


	FY 2005	FY 2006	% Increase Decrease
Public Works	96,910,192	105,161,307	8.51%
General Fund Operating	35,097,532	38,311,188	9.16%
Water & Sewer Fund	32,641,634	35,656,953	9.24%
Environmental Services Fund	13,102,227	15,464,081	18.03%
Grant Fund	25,000	25,000	0.00%
Middle Patuxent Special Assess Fund	295,225	277,500	-6.00%
Special Benefits Fund (W & S Debt)	15,748,574	15,426,585	-2.04%
Inspections, Licenses & Permits	5,441,494	6,185,821	13.68%
General Fund Operating	5,441,494	6,185,821	13.68%
Planning & Zoning	10,505,796	11,180,929	6.43%
General Fund Operating	4,810,195	5,380,077	11.85%
Agricultural Land Preserv. Fund	5,305,866	5,418,681	2.13%
Grant Fund	389,735	382,171	-1.94%
Soil Conservation	631,985	681,555	7.84%
General Fund Operating	631,985	681,555	7.84%
TOTAL	113,489,467	123,209,612	8.56%

All Funds Budget

Community Services
Outlook for 2006

- Funds are included to open the Central Branch Library on Sundays year round.
- Funds are included for full year rent for temporary space for the Western Senior Center
- Full year funding for 1 new Recreation Coordinator position in Recreation and Parks
- The Health Department will continue consolidation of staff into its new headquarters on Gateway Drive. An additional 50 employees will move from the Columbia Health Center to the new site.



Fiscal 2006 Budget Summary

All Funds Budget

Community Services

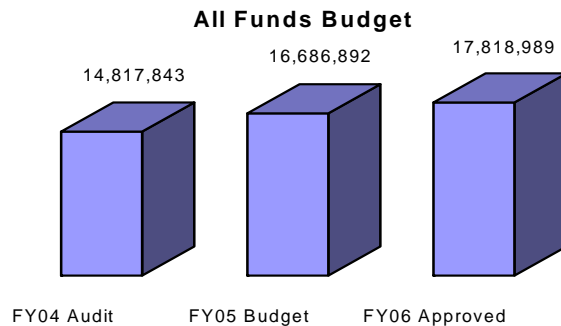
	FY 2005	FY 2006	% Increase Decrease
Citizen Services	16,266,753	17,035,456	4.73%
General Fund Operating	5,273,904	5,932,590	12.49%
Grant Fund	10,992,849	11,102,866	1.00%
Community Services Partnerships	3,319,893	3,607,091	8.65%
General Fund Operating	3,319,893	3,607,091	8.65%
Social Services	434,774	465,137	6.98%
General Fund Operating	434,774	465,137	6.98%
Transportation Services	11,292,187	12,573,450	11.35%
General Fund Operating	4,053,555	4,749,333	17.16%
Grant Fund	7,238,632	7,824,117	
Health Department	13,948,246	15,810,006	13.35%
General Fund Operating	6,446,128	6,875,085	6.65%
State of Maryland	6,308,569	7,545,925	19.61%
Collections	1,193,549	1,388,996	16.38%
Mental Health Authority	233,094	249,411	7.00%
General Fund Operating	233,094	249,411	7.00%
Recreation & Parks	26,290,700	28,057,846	6.72%
General Fund Operating	10,533,480	11,415,138	8.37%
Self Sustaining Fund	11,088,084	11,616,184	4.76%
Grant Fund	2,143,547	2,712,429	26.54%
Special Recreation Fund (Golf)	2,525,589	2,314,095	-8.37%
Libraries	12,299,678	13,233,733	7.59%
General Fund Operating	10,837,558	11,731,497	8.25%
State of Maryland	639,120	634,236	-0.76%
Other Library Generated	823,000	868,000	5.47%
Cooperative Extension	331,151	355,154	7.25%
General Fund Operating	331,151	355,154	7.25%
TOTAL	84,416,476	91,387,284	8.26%

Fiscal 2006 Budget Summary

All Funds Budget

Legislative & Judicial *Outlook for 2006*

- The Sheriff's Office includes funding for two additional Deputy Sheriffs to help ensure safety at the Court House
- The State is requiring all counties to implement a new statewide voter registration system. The State estimates our lease cost for FY06 to be \$350,000. The database conversion itself is estimated to be an additional \$265,849.
- The DUI Court grant in the State's Attorney's Office and the Drug Court grant in the Circuit Court have been extended into FY06.



	FY 2005	FY 2006	% Increase Decrease
County Council	2,666,252	2,816,554	5.64%
General Fund Operating	2,666,252	2,816,554	5.64%
Circuit Court	2,496,801	2,575,713	3.16%
General Fund Operating	2,094,186	1,893,281	-9.59%
Grant Fund	402,615	682,432	69.50%
State's Attorney	4,941,830	5,532,048	11.94%
General Fund Operating	4,829,056	5,402,557	11.88%
Grant Fund	112,774	129,491	14.82%
Orphan's Court	43,306	54,222	25.21%
General Fund Operating	43,306	54,222	
Sheriff's Office	4,683,219	5,259,535	12.31%
General Fund Operating	4,404,027	4,953,090	12.47%
Grant Fund	279,192	306,445	9.76%
Board of Elections	1,855,484	1,580,917	-14.80%
General Fund Operating	1,855,484	1,580,917	-14.80%
TOTAL	16,686,892	17,818,989	6.78%

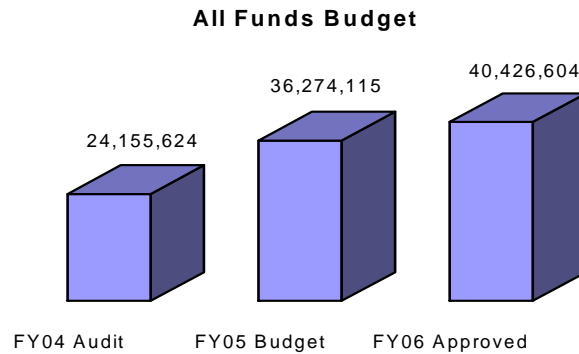
Fiscal 2006 Budget Summary

All Funds Budget

General Government

Outlook for 2006

- Funding for the first full year of the 800 MHz system after warranty.
- Department of Finance funding is included for them to hire an internal coordinator to address findings noted by the County's internal auditor.



	FY 2005	FY 2006	% Increase Decrease
County Executive	649,429	723,125	11.35%
General Fund Operating	649,429	723,125	11.35%
County Administration	12,140,444	13,487,832	11.10%
General Fund Operating	7,659,942	8,469,648	10.57%
Grant Fund	4,480,502	5,018,184	12.00%
Finance	5,396,596	6,076,508	12.60%
General Fund Operating	5,396,596	6,076,508	12.60%
Office of Law	2,514,026	2,710,891	7.83%
General Fund Operating	2,514,026	2,710,891	7.83%
Economic Development	839,708	902,321	7.46%
General Fund Operating	839,708	902,321	7.46%
Technology & Communications	1,079,185	1,207,426	11.88%
General Fund Operating	1,079,185	1,207,426	11.88%
Housing & Comm. Development	13,079,727	14,743,501	12.72%
Community Renewal Fund	7,865,933	9,092,845	15.60%
Grant Fund	5,213,794	5,650,656	8.38%
Performance Awards	500,000	500,000	0.00%
General Fund Operating	500,000	500,000	0.00%
Tuition Reimbursement	75,000	75,000	0.00%
General Fund Operating	75,000	75,000	0.00%
TOTAL	36,274,115	40,426,604	11.45%

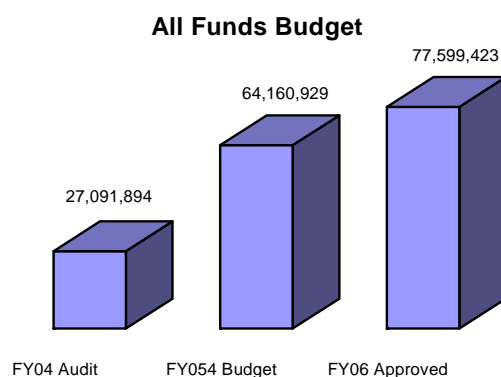
Fiscal 2006 Budget Summary

All Funds Budget

Capital, Debt Service & Reserves

Outlook for 2006

- Included in this section are the non-education debt service related costs, and the Contingency Reserves of the County.
- Pay go funding is from current revenues and will be appropriated to the Capital Budget to pay for items that are not bond eligible. Funding has been included as follows:
 - Recreation and Parks \$272 thousand
 - Road resurfacing \$7.90 million
 - Police/Fire Projects \$1.56 million
 - Storm Drainage/Bridges/Other \$795 thousand
 - Road & Traffic Projects \$945 thousand
 - General & other projects \$1.11 million
- Funding is included for a \$3,000,000 contribution to Howard County General Hospital for its building expansion.



	FY 2005	FY 2006	% Increase Decrease
Pay-as-you-go	5,203,000	16,393,001	215.07%
Debt Service (Non-Education)	29,971,936	28,645,451	-4.43%
Contingency Reserves	28,985,993	32,560,971	12.33%
General Fund Contingency	1,400,506	1,500,000	7.10%
Grant Fund Contingency	5,000,000	5,000,000	0.00%
Ag Preservation Fund Contingency	20,181,638	24,977,207	23.76%
Environ. Serv. Fund Contingency	2,810	108,638	3766.12%
Rec. Self Sustaining Fund Contingency	37,304	122,538	228.48%
Fire & Rescue Funds Contingency	363,735	852,588	134.40%
Housing & Comm. Dev. Fund Contingency	2,000,000	0	-100.00%
TOTAL	64,160,929	77,599,423	20.94%

Employee Information

Summary of Employees by Department/Agency

Department/Agency	Actual Fiscal 2004	Budgeted Fiscal 2005	Approved Fiscal 2006	Change 2005/2006
Board of Education	6,143.80	6,322.00	6,576.70	254.9
Howard Community College	<u>344.97</u>	<u>354.11</u>	<u>370.66</u>	<u>16.55</u>
Sub-total Education	6,488.77	6,676.11	6,947.36	271.45
Libraries	208.5	211.5	213.5	2
Health Department	<u>157.2</u>	<u>186</u>	<u>186</u>	<u>0</u>
Sub-total Other Agencies	365.7	397.5	399.5	2
County Executive	7	6	6	0
County Administration	136.17	134.77	135.77	1
Dept. of Finance	50.88	51.38	52.38	1
Office of Law	23.45	23.7	23.7	0
Dept. of Planning & Zoning	60.88	59.87	60.87	1
Dept. of Police	525.5	534.01	538.01	4
Sheriff's Office	63	64	66	2
Dept. of Fire & Rescue Services	301.35	313.35	329.35	16
Dept. of Corrections	123	134	141	7
Dept. of Recreations & Parks	224.54	231.24	232.24	1
Dept. of Public Works	398	400.02	405.02	5
Soil Conservation	7	7	7	0
Cooperative Extension	1.75	1.75	1.75	0
Dept. of Citizen Services	101.67	105.59	105.59	0
County Council	28.63	28.63	28.63	0
Circuit Court	23.05	23	21	-2
State's Attorney	60.3	62.95	64.7	1.75
Dept. of Inspections, Licenses & Permits	62	62	62	0
Dept. of Social Services	1	1	1	0
Dept. of Technology & Communication Services	53.6	54	54	0
Dept of Housing & Community Development	30.88	30.87	30.87	0
Transportation Services	0	1	1	0
Sub-total County Government Employees	<u>2,283.65</u>	<u>2,330.13</u>	<u>2,367.88</u>	<u>37.75</u>
TOTAL	9,138.12	9,403.74	9,714.74	311.20

Fiscal 2006 Budget Summary

New Positions

Department	Position Title	Number of Positions
County Administration	Senior Administrative Analyst	1
	Assistant Administrator, Human Resources	1
	Administrative Assistant	1
Finance	Fiscal Specialist II	1
Fire and Rescue Services	Firefighter Trainee	15
	Senior Stores Clerk	1
Planning and Zoning	Engineering Specialist III	1
Police	Police Services Support Specialist	1
	Police Officers-Probationary	10
Public Works	Motor Equipment Operator II	1
	Engineering Specialist III	1
	Engineering Specialist II	1
	Administrative Support Tech III	1
	Engineering Support Supervisor	1
Recreation and Parks	Recreation Services Coordinator	1
Sheriff	Deputy Sheriff	2
State's Attorney	Administrative Technician	1

New Positions/Other Agencies

Department	Position Title	Number of Positions
Howard County Library	Children's Library Associates	1
	Development Coordinator	1
Howard Comm.College	Faculty	5
	Administrator-Director of International Educ.	1
	Professional	4.10
	Support Staff	2.70
*TOTAL		12.80

*An additional 3.75 positions are either grant funded or funded by other areas.

Fiscal 2006 Budget Summary

New Positions/Other Agencies

Department	Position Title	Number of Positions
Board of Education <i>General Fund</i>	Administration – Bd. Of Education	1.00
	Superintendent's Office	1.00
	Business & Operations	3.00
	Budget Office	1.00
	Human Resources	1.00
	Art	2.50
	Elementary Program	1.00
	Language Arts	3.00
	Foreign Languages	12.00
	ESOL	6.00
	Kindergarten/Pre-K	39.00
	Mathematics	7.50
	Media Services	8.00
	Music	4.00
	Physical Education	.50
	Reading	6.00
	Science	1.00
	Gifted & Talented	7.00
	Middle School Staffing	1.00
	High School Staffing	33.00
	Homewood School	2.00
	Career Connections	1.50
	School Counseling	7.50
	Psychological Services	1.10
	Pupil Services	.80
	Health Services	4.00
	Custodial Services	15.50
	Warehousing	1.00
	Building Maintenance	5.00
	Networks and Technology	2.00
	Grounds Maintenance	3.00
	School Based Administration	21.00
	Other Community Services	1.00
	Special Education County Services	3.00
	Special Education School based	35.00
	Cedar Lane School	1.00
	Bridges at Homewood	2.00
	Regional Early Childhood	8.00
	Speech et al	5.50
	Psychological Services	.50

*TOTAL 258.9

*Total includes positions either added during fiscal 2005 but not included in fiscal 2005 budget, transfers from other budget accounts or formerly funded grant positions..

General Fund Revenue

Howard County's budget is made up of over 100 different revenues. This diversity provides stability to the revenue stream. However, two of them, property tax and income tax make up more than 85% of the total current revenue. The performance of these two revenues in large measure determines the health of the budget.

Property Tax

The property tax makes up 45% of general fund revenues. The tax due is determined by multiplying the assessed value of the property by the tax rate for each \$100 of assessed value. The State of Maryland uses a triennial assessment system to determine the value of property for taxing purposes. For Fiscal Year 2006 the assessable base is projected to grow by 6% from reassessments. It is projected that growth in the base should continue in this range for the next several years. For FY 2006 the tax rate is \$1.044 for real property and \$2.61 for corporate personal property.

Income Tax

The income tax in Howard County makes up 40% of general fund revenues. It is the most economically sensitive revenue in the county. Previously the rate was stated as a percent of the State tax due. For Howard County that rate was 48%. As a result of State Legislative Action this rate has been restated as a percent of Maryland Net Taxable Income. The rate in Howard County is 3.2%. Revenue from the income tax is derived from personal income from county residents like salaries and social security payments as well as income from capital gains, interest and some business income. Beginning in 1996 this revenue grew much more rapidly because of the surge in capital gains income from profits in the stock market. However, that growth came to an abrupt end in calendar year 2001. As a result income tax revenues showed little growth in FY02 and FY03 as the decline in capital gains tax revenue was absorbed. Growth in the income tax is now predominantly from growth in personal income.

Other Revenues

Other Local Taxes

Other local taxes include the recordation tax, admissions & amusement tax, the hotel motel tax and mobile home tax. The strong local real estate market is pushing growth in the recordation tax. Other revenues in the category are showing little or no growth.

State Shared Taxes & Revenue From Other Agencies

State revenue as a major source has largely disappeared from the general fund of the county. All undesignated state revenue has been eliminated. Only highway gas tax funds, and state aid for police protection remain. For FY 2006 the State has restored reductions in highway gas tax funds and aid for police protection.. State funding for education has increased. Those funds go directly to the Board of Education and are not received by the general fund.

Charges for Services & Licenses & Permits

The other revenues of the county are made up of charges for services provided to individuals or businesses and license and permit fees largely as a part of the development process. Fees for services are usually designed to recover the cost of the service provided. Descriptions and explanations for these revenues are included in the User Fees and Charges book for FY 2006. That book is available from the Howard County Budget Office.

Interest/Money/Fines

This portion of revenues has declined from the previous year because of a decline in investment income caused by the decline in interest rates. Other major sources of revenue in this section are from fines from red light running traffic tickets and false alarm fees.

Fiscal 2006 Budget Summary

Interfund Reimbursements

This portion includes dollars that are paid to the General Fund from dedicated revenue funds to reimburse the General Fund for services it has provided to those funds. Most of these funds come from the Utility Water and Sewer Fund and the Environmental Services Fund.

Funds From Prior Years

This section includes surplus funds from the prior years' budget, which were in excess of that needed to maintain the Rainy Day Fund of the county at the Charter mandated levels. These "excess" funds may only be used for pay-go capital projects or one time expenses per the Howard County Charter.

For details on the General Fund Revenues see Section IX, titled Revenues.

The Budget Stabilization Account

The Howard County Charter requires the county to maintain a Rainy Day Fund of up to 7% of the latest audit of general fund expenditures at the time the budget is adopted. It further requires any surplus the county generates go into the fund until that goal is reached. When the goal is reached, any surplus can only be spent on capital projects, one-time expenditures or debt reduction. Because of revenue shortfalls no dollars have been appropriated to the Fund since FY 2001. The current balance of the Rainy Day Fund is \$34,696,561. For FY 2006 the mandated level of the Fund is based on audited spending for FY 2004. Seven percent of that amount will require a Rainy Day Fund of \$38,509,454. That is \$3,812,893 below the amount currently in the Fund. The county ended FY 2004 with an undesignated surplus of \$749,606. That amount will be appropriated to the Rainy Day Fund in FY 2006. In addition, the county estimates it will have a surplus of at least \$16.5 million at the end of FY05. Of this amount, \$3,063,287 will also be appropriated to the Rainy Day Fund in FY 2006 and bring the fund up to the mandated level.

Policy on Maintaining the Account at Mandated Levels

The County Executive has adopted the following policy that will be used to maintain the Rainy Day Fund:

Transfers to the General Fund and/or under-funding of the Budget Stabilization Account will be addressed as quickly as possible. The primary method of filling the Account is to use estimated or un-appropriated surpluses. If the account falls below the mandated level for two fiscal years the county will replenish funds by direct appropriation. In the fiscal year following the two-year period, a direct line item appropriation is to be included in the operating budget. The goal is to appropriate 25% of the difference between the maximum reserve level of 7% of the previous year's audited expenditures and the existing Budget Stabilization Account balance. This direct appropriation to the operating budget will continue until the Budget Stabilization Account reaches the targeted level.

If it is not financially feasible for the county to budget a 25% direct appropriation, the county will budget a lesser amount, and reaffirm its commitment to fully replenish the reserve funds used, but over a

longer period of time. When economic conditions improve, the county will again appropriate 25% of the difference between the maximum Budget Stabilization Account level and the existing balance. The direct budget appropriations will continue until the account is back to fully funded status.

Capital and Debt Policy

The county funds its capital program based on the requirements of the General Plan and supporting master plans for recreation & parks, human services, schools, water & sewer, solid waste, libraries, fire stations and public facilities. The county uses an annual debt affordability process to determine reasonable debt levels.

The county plans long and short-term debt issuance to finance its capital budget based on cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The county finances capital needs on a regular basis, dictated by capital spending patterns. External financial specialists assist the county in developing a bond issuance strategy, preparing bond documents and marketing bonds to investors. Bonds issued by the county mature over a term matching the economic life of the improvements they finance.

General improvements are sold as Consolidated Public Improvement bonds with 20 year terms and water & sewer improvements into Metropolitan District Bonds with 30 year terms. Debt obligations are generally issued via competitive sale. However, the county may use a negotiated sale process when it provides significant savings and/or if the terms of the offering are sufficiently complex that the bond issue might be compromised in a competitive sale.

(The preceding is a synopsis of a comprehensive debt policy that is available from the Director of Finance.)

The Capital Budget

The capital budget includes the funds to construct major government facilities such as roads, bridges, schools, fire stations, etc. Capital projects usually take more than one year to complete, unlike operating budgets which cover only one year. The budget for any one project may include money which has already been spent, additional funds for the next year, and planned expenditures for five years in the future.

Capital projects are funded by a number of revenue sources, including bonds, pay-go cash, developer contributions, transfer tax and utility funds and grants. Because the projects are usually major facilities, the county often borrows money to pay for them over a long period. The borrowed money, called bonds, is repaid through the operating budget debt service payments much like a homeowner makes mortgage payments. For Fiscal Year 2006 the county has budgeted debt service payments of \$60,894,165 in the general fund.

The capital program is a plan showing anticipated capital projects in the five years following the capital budget.

The Role of the Capital Budget in the Adequate Public Facilities Process

In 1992, the county adopted an adequate public facilities ordinance to provide planning predictability for the county. This process was reviewed and amended during 1999. The legislation requires the testing of proposed development for adequacy of schools and roads as a condition of subdivision or site development plan approval. The county in turn is required to adopt 10 year plans for its infrastructure of schools, roads, solid waste, water & sewage, and other governmental functions. These master plans are used to determine the adequacy of infrastructure necessary to allow development. As such, the capital budget is the vehicle for determining how development will proceed in the county.

The Debt Affordability Process

To determine reasonable debt levels for the county as part of the capital budget process, each year the County Executive appoints a Spending Affordability Committee consisting of individual citizens with fiscal expertise and county officials to review the county's ability to absorb and pay for bond debt. This review has become a regular function of the budget process and includes recommendations made by the committee regarding how much new debt can be afforded by the county without overburdening itself with debt service payments. In order to make its recommendations, the committee examines the following measures:

1. Debt measured as a percent of the county's assessable base. The County Charter limits the county debt to 12% of the assessable base, which has been adjusted to 4.8% based on 100% assessment levels.
2. Per capita debt measured as a percent of the jurisdictions per capita personal income.
3. Debt measured against the population on a per capita basis.
4. Debt Service (the repayment of bond principal and interest) as a percent of current general fund revenues.

The Howard County Capital Budget is published separately from the operating budget; however, the County Executive's Capital Budget Message, a summary and area maps highlighting capital projects follow.

Fiscal 2006 Budget Summary

April 1, 2005

The Honorable Guy Guzzone
Chair, Howard County Council
3430 Court House Drive
Ellicott City, MD 21043

Dear Chairman Guzzone:

I respectfully submit to you my proposed Fiscal Year 2006 Capital Budget. As in past years, my highest priority is to build the schools we need to maintain our school system as the best in the State. Towards that end, I am submitting a budget for school construction of \$78 million and I am dedicating the remaining revenue to long-postponed maintenance and critical infrastructure projects.

The total Capital Budget of \$235.3 million includes \$85.3 million in new General Obligation Bonds, \$14 million in education surcharge bonds, \$36.9 million in water and sewer funds, \$17.1 million in excise tax road bonds, \$16.4 million in pay-go funds, and \$65.6 million in other funding sources (\$11 million of which is college-backed bonds).

The education surcharge bill approved last year by the State Delegation continues to provide us with a dedicated funding source for school capital needs. I have used this source to fund \$4 million for the new western elementary school and \$10 million for the Bushy Park Elementary School replacement project -- given that Bushy Park is the most crowded elementary school in the county, I feel that we must move to remedy that situation now.

Beyond my continuing emphasis on education, this proposal concentrates on funding a variety of other critical projects while striving to maintain the level of bond funding that I believe is both prudent and fundamental to the financial integrity of Howard County. To do this, I have deferred over \$20.5 million in requests and have proposed \$4 million less in bond funding than the recommended \$90 million level approved by the Spending Affordability Committee.

Among my deferrals are \$8.4 million of an \$18.4 million request by the Board of Education for systemic renovations and the postponement of a \$28.7 million project requested by the Library, which has been unable to obtain a suitable site in the current real estate market. Also deferred are requests for \$3.62 million in road, sidewalk and traffic projects, and \$1.2 million in public safety projects.

Among the non-education projects in the Capital Budget is the expansion of Howard County General Hospital, for which I have included \$3 million. The hospital is a critical part of our community infrastructure that must keep pace with growing demands. I believe it is beneficial to the community at large that we step forward, in the same way Anne Arundel County has, to help ensure that our local medical facility remains well prepared to undertake the ever increasing role it plays in providing both emergency services and quality health care.

In my continued commitment to public safety, I have included \$1.4 million for renovations to the Savage Fire Station, \$800,000 to begin renovations at the West Friendship Station, \$920,000 to acquire a new fire station site near the intersection of Route 100 and Meadow Ridge Road, and \$135,000 to continue the pond access program. Also, \$5.7 million is included for the public safety training center. This money will ensure that the on-site facilities have the appropriate capabilities, design and layout for the training needs of our public safety personnel.

I have also included \$100,000 in the Capital Budget for planning and engineering costs for an expansion of the Grassroots shelter. This facility is the only one of its kind in the county and I feel

Fiscal 2006 Budget Summary

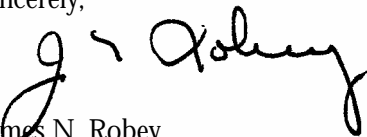
strongly that we need to increase its capacity to serve those Howard County citizens who are in need of its services.

Finally, the Capital Budget includes funding for two major projects at Howard Community College. First, \$12.3 million is included as a match for the State funding for the new student services building. Second, \$7.2 million is included for construction of a much-needed parking garage. Construction of the student services building will remove 130 parking spaces from a campus that is already experiencing a significant parking shortage. In order that the County's bonding capacity not be adversely affected, the College has agreed to finance the construction of the garage with a parking fee.

Preservation of Howard County's quality of life remains my goal despite the funding challenges of recent budgets. While we may not be moving ahead as fast as we would like, we are nonetheless still making progress.

As you move forward in your review I am confident that together we will continue to guide Howard County forward, overcoming the challenges these difficult budget times have presented. Should you have questions during your review process, my staff is available to provide any assistance you may need.

Sincerely,

A handwritten signature in black ink, appearing to read "J. N. Robey", written in a cursive style.

James N. Robey
County Executive

Council Approved FY06 5 Year Capital Improvement Program Summary

(In thousands of \$)

Fiscal Years FY 2007 to FY 2011

Program Title	Prior Appropriation	FISCAL 2006 BUDGET	TOTAL APPROP	FY 07	FY 08	FY09	FY10	FY11	5YR PROG
Bridge Improvements	16,157	3,315	19,472	1,075	1,880	920	820	0	24,167
Storm Drainage	14,003	3,120	17,123	3,655	3,005	2,015	1,945	1,070	28,813
Road Resurfacing	16,785	9,050	25,835	9,570	8,970	8,620	9,620	9,620	72,235
Road Construction	119,170	23,780	142,950	39,025	22,955	5,980	585	1,400	212,895
Sidewalk/Curb Projects	5,543	982	6,525	2,876	2,961	3,330	1,635	725	18,052
Traffic Improvements	6,900	2,365	9,265	1,555	1,325	705	705	0	13,555
General County	104,161	16,014	120,175	86,145	16,630	2,150	4,670	-	229,770
Fire	15,578	7,045	22,623	7,960	5,240	3,025	4,295	2,200	45,343
Library	-	-	-	5,790	22,945	-	-	-	28,735
Police	7,667	2,020	9,687	115	-	-	-	-	9,802
Recreation & Parks	30,680	13,587	44,267	7,472	4,673	8,363	4,973	5,764	75,512
Agricultural Preservation	84,108	-	84,108	-	-	-	-	-	84,108
Community Renewal	6,200	3,100	9,300	1,500	1,500	1,500	1,500	-	15,300
Sewer	98,197	28,910	127,107	6,118	35,898	-	55	245	169,423
Water	117,267	8,744	126,011	10,035	20,318	318	-	-	156,682
Board of Education	207,333	86,501	293,834	78,249	77,573	59,971	65,972	58,859	634,458
Community College	67,073	34,111	101,184	26,711	13,240	19,622	15,336	19,868	195,961
Total Capital	916,822	242,644	1,159,466	287,851	239,113	116,519	112,111	99,751	2,014,811

Council Approved FY2006 Capital Budget by Source of Funds
(In Thousands of \$)

Program Title	Program Total	Pay As You Go	Excise Tax	Excise Bonds	Ed Excise Bonds	MD School PSIAC	College Bonds	Storm Drain	G.O. Bonds	Developer Contrib.	Water Qual Bonds	Metro Bonds	IAC	Other	Grants	Transfer Tax	Utility Fund
Bridge Improvements	3,315	400							1062					-	1,853		
Storm Drainage	3,120	195						735	1,775					-	415		
Road Resurfacing	9,050	7,900							1,150								
Road Construction	23,780	275		16,680					2,710	4,105				195	(185)		
Sidewalk/Curb Projects	982	40							687					160	95		
Intersection Improvements	2,365	630		430					1,135	30				140			
General County	16,014	1,916							12,230	50					1,818		
Fire	7,045	400							3,550						125	2,970	
Library	-																
Police	2,020	1,165							855								
Recreation & Parks	13,587	272							1,496					860	4,356	6,603	
Agricultural Preservation	-																
Community Renewal	3,100															3,100	
Sewer	28,910	200								1,600	11,713	4,225	3,440		4,060		3,672
Water	8,744									990		2,551	1,405				3,798
Board of Education	86,501	-			14,000	15,273			49,228					-		8,000	
Community College	34,111						11,388		9,403					-	13,320		
Total Capital	242,644	13,393	-	17,110	14,000	15,273	11,388	735	85,281	6,775	11,713	6,776	4,845	1,355	25,857	20,673	7,470

Capital Budget Extended Summary for Fiscal Year 2006

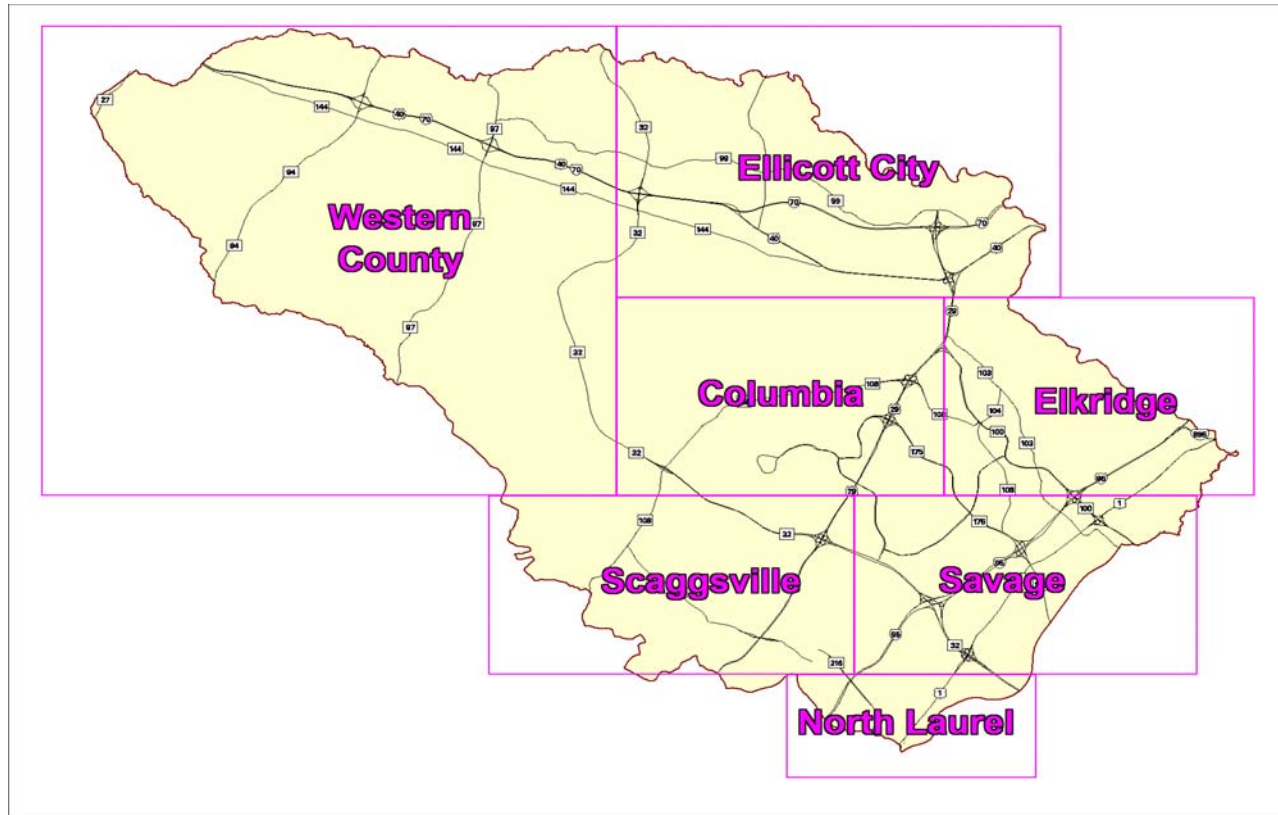
(In thousands of \$)

Extended Program

Program Title	Approp. Total	Five Year Subtotal	CIP Five Year	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Total
Bridge Improvements	19,472	4,695	24,167	-	-	-	-	24,167
Storm Drainage	17,123	11,690	28,813	(250)	-	-	-	28,563
Road Resurfacing	25,835	46,400	72,235	6,000	5,200	5,200	1,000	89,635
Road Construction	142,950	69,945	212,895	-	-	-	-	212,895
Sidewalk/Curb Projects	6,525	11,527	18,052	-	-	-	-	18,052
Intersection Improvements	9,265	4,290	13,555	-	-	-	-	13,555
General County	120,175	109,595	229,770	-	510	11,420	-	241,700
Fire	22,623	22,720	45,343	2,300	2,300	-	-	49,943
Library	-	28,735	28,735	-	-	-	-	28,735
Police	9,687	115	9,802	-	-	-	-	9,802
Recreation & Parks	44,268	31,244	75,512	2,354	-	-	-	77,866
Agricultural Preservation	84,108	-	84,108	-	-	-	-	84,108
Community Renewal	9,300	6,000	15,300	-	-	-	-	15,300
Sewer	127,108	42,316	169,424	-	-	-	-	169,424
Water	126,010	30,670	156,680	-	-	-	-	156,680
Board of Education	293,834	340,624	634,458	54,453	50,300	50,300	158,300	947,811
Community College	101,183	94,777	195,960	18,608	1,400	-	-	215,968
Total Capital	1,159,466	855,343	2,014,810	83,465	59,710	66,920	159,300	2,384,203

Howard County, MD
CAPITAL PROGRAM SUMMARY

	PRIOR Appro- priation	FISCAL 2006 Budget	TOTAL Appro- priation	5yrCapital Improve Program	Extended Program Total	TOTAL PROJECT	
TRANSPORTATION	178,558,011	42,612,001	221,170,012	148,546,997	17,150,000	386,867,009	
OTHER PROGRAMS	90,308,000	3,100,000	93,408,000	6,000,000	0	99,408,000	
GENERAL COUNTY PROGRAM	127,405,800	25,079,000	152,484,800	161,165,000	16,530,000	330,179,800	
RECREATION PARKS	30,680,215	13,587,300	44,267,515	31,243,747	2,354,000	77,865,262	
WATER and SEWER	215,464,232	37,654,250	253,118,482	72,985,500	0	326,103,982	
EDUCATION	274,404,427	120,612,000	395,016,427	435,401,400	333,361,000	1,163,778,827	
	<u>916,820,685</u>	<u>242,644,551</u>	<u>1,159,465,236</u>	<u>855,342,644</u>	<u>369,395,000</u>	<u>2,384,202,880</u>	<u>0</u>
<u>REVENUES</u>							
BONDS	261,228,198	85,281,000	346,509,198	549,407,376	331,814,000	1,227,730,574	
EXCISE TAX BACKED BONDS	69,162,000	17,110,000	86,272,000	49,565,000	0	135,837,000	
METRO DISTRICT BOND	44,987,525	6,776,000	51,763,525	24,150,000	0	75,913,525	
EDUCATION EXCISE BONDS	41,804,000	14,000,000	55,804,000	0	0	55,804,000	
COLLEGE REVENUE BACKED BOND	0	11,388,000	11,388,000	0	0	11,388,000	
UTILITY CASH	87,941,966	7,470,250	95,412,216	8,495,500	0	103,907,716	
IN-AID of CONSTRUCT UTILITIES	17,942,264	4,845,000	22,787,264	2,000,000	0	24,787,264	
PAY AS YOU GO	45,568,010	13,393,001	58,961,011	58,206,997	13,000,000	130,168,008	
EXCISE TAX	30,312,000	0	30,312,000	6,800,000	0	37,112,000	
TRANSFER TAX	56,088,168	20,673,300	76,761,468	25,047,000	13,400,000	115,208,468	
STORM DRAINAGE FUND	3,543,000	735,000	4,278,000	1,075,000	0	5,353,000	
GRANTS	64,919,500	25,857,000	90,776,500	77,435,771	11,181,000	179,393,271	
WATER QUALITY State Bond Loan	62,459,477	11,713,000	74,172,477	29,460,000	0	103,632,477	
STATE AID for SCHOOLS	27,677,077	15,273,000	42,950,077	0	0	42,950,077	
DEVELOPER CONTRIBUTION	8,038,000	6,775,000	14,813,000	630,000	0	15,443,000	
OTHER SOURCES	95,149,500	1,355,000	96,504,500	23,070,000	0	119,574,500	
	<u>916,820,685</u>	<u>242,644,551</u>	<u>1,159,465,236</u>	<u>855,342,644</u>	<u>369,395,000</u>	<u>2,384,202,880</u>	<u>0</u>
	<u>916,820,685</u>	<u>242,644,551</u>	<u>1,159,465,236</u>	<u>855,342,644</u>	<u>369,395,000</u>	<u>2,384,202,880</u>	<u>0</u>

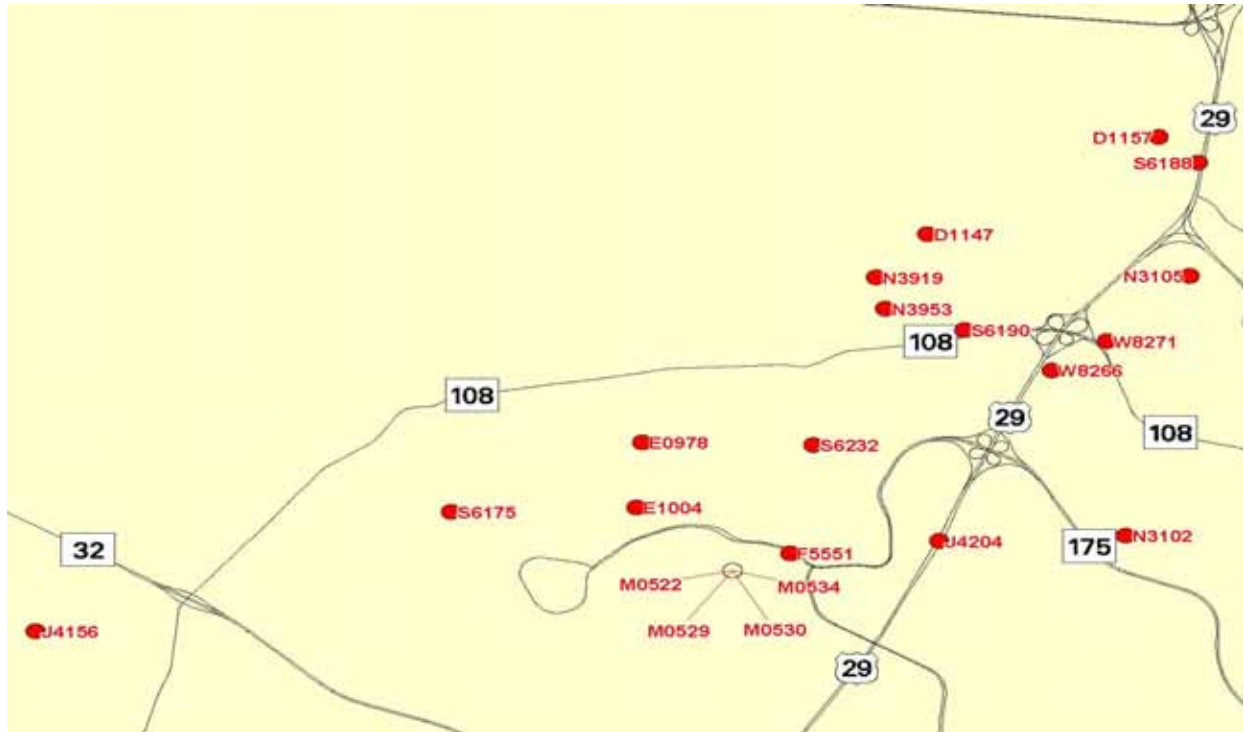


Regional Capital Projects Map

To provide useful summary information on the Capital Budget, the FY06 Capital Budget is being presented in a series of Area Maps. The County was divided into seven (7) geographic areas. This large map identifies these areas on the Howard County map. Each Area Map displays the capital projects for which funding is proposed in FY06 in that area. A list of the capital projects provides the project # and name. The Area Maps provide an at a glance view of capital projects specific to each area. These maps are not intended to provide all of the detail on each project. Details for each project listed may be found in the FY06 Capital Budget Detail book, located in every branch of the Howard County Library. As technology continues to move forward we will continue to make changes to the way the Capital Budget summary is presented. The maps used in this presentation are courtesy of the Department of Technology and Communication Services, Geographical Information System (GIS).

Fiscal 2006 Budget Summary

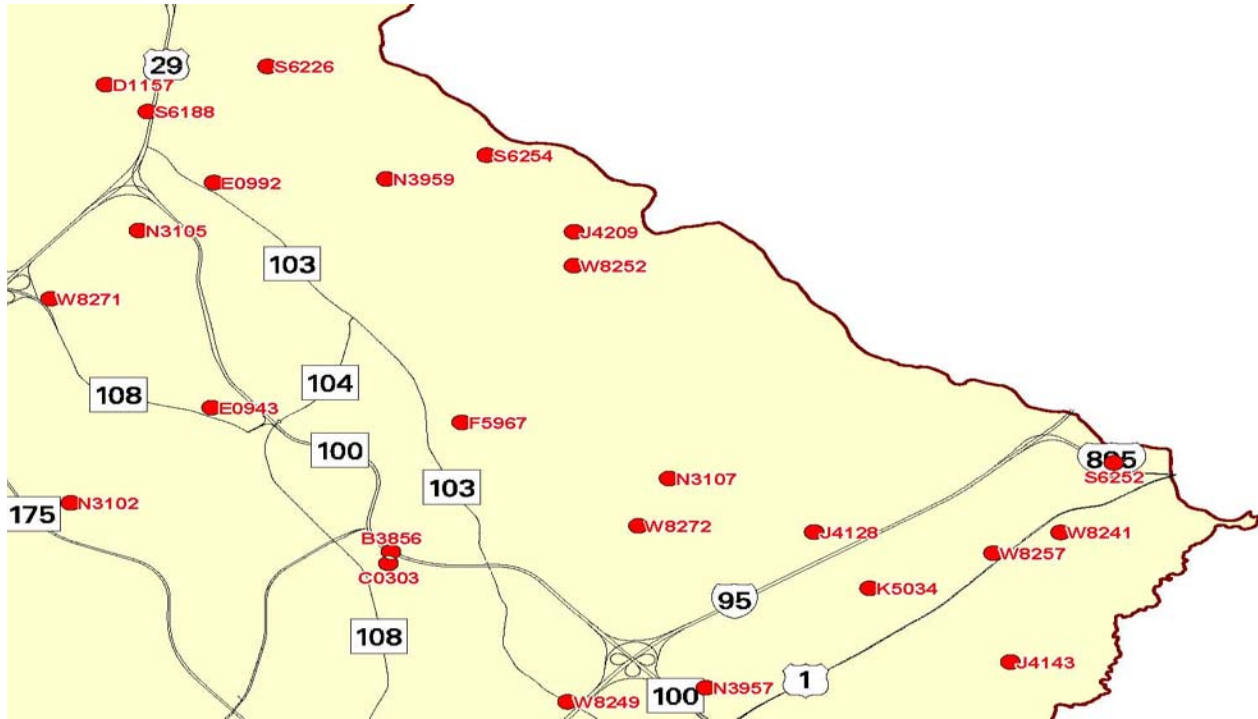
Columbia Area FY06 Capital Projects Map



<u>Project #</u>	<u>Name</u>
D1147	FY2006 Farmington Court Drainage
D1157	FY2006 St Johns Lane Vicinity Drainage Study
E0978	FY2003 Cedar Lane School Add'N / Renovation
E1004	FY2006 Old Cedar Lane Renovations
F5551	FY2005 Banneker Firestation Redevelopment
J4156	FY2006 Brighton Dam Road
J4204	FY2005 US 29 Improvements
M0522	FY1995 Systemic Renovations
M0529	FY2003 Instructional Building #2
M0530	FY2004 Student Services Building
M0534	FY2005 Renovations To Bldg A/Smith Theatre
N3102	FY2000 Blandair Regional Park
N3105	FY1995 Meadowbrook Park
N3919	FY1990 Centennial Park Access Pathway
N3953	FY2000 Centennial Lake Restoration
S6175	FY2001 Little Patuxent Parallel Sewer
S6188	FY2003 Cat Rock Run Parallel Sewer
S6190	FY2005 MD108 Pump Sta/Force Main Improvement
S6232	FY2001 Sewer Corrosion Correction Program
W8266	FY2005 Dalton Drive Water Main
W8271	FY2006 Edgar Road Pumping Station Upgrade

Fiscal 2006 Budget Summary

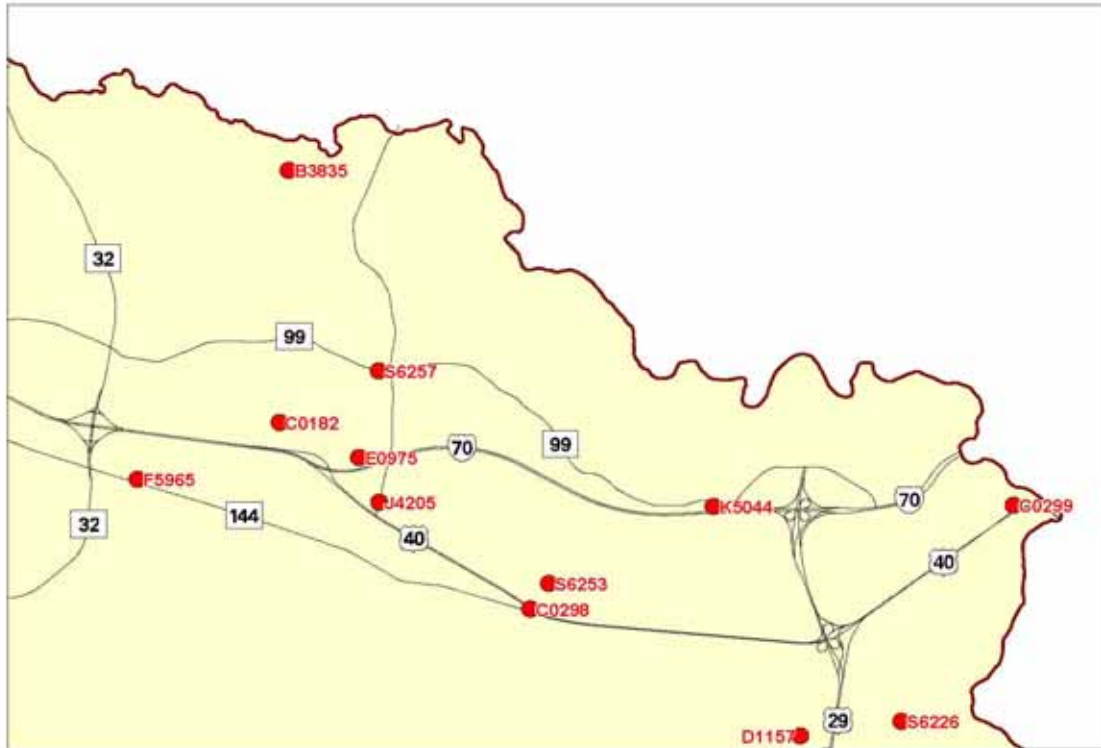
Elkridge Area FY2006 Capital Projects Map



<u>Project #</u>	<u>Name</u>
B3856	FY2001 Old Montgomery Road Bridge (Ho-9)
C0303	FY2006 Central Fleet Maintenance And Facilities
D1157	FY2006 St Johns Lane Vicinity Drainage Study
E0943	FY2002 Howard High Addition / Renovation
E0992	FY2004 Northeast Elementary School
F5967	FY2005 Ellicott City/Columbia Fire Station
J4128	FY2006 Montgomery Rd Safety Improvements
J4143	FY1995 Winters Lane
J4209	FY2006 Bonnie Branch Road Slope Stabilization
K5034	FY2001 Hunt Club Sidewalks
N3102	FY2000 Blandair Regional Park
N3105	FY1995 Meadowbrook Park
N3107	FY2000 Rockburn Branch Park
N3957	FY2003 Troy Park & Historic Rehabilitation
N3959	FY2005 Patapsco Female Institute Site Work
S6188	FY2003 Cat Rock Run Parallel Sewer
S6226	FY2000 Tiber Branch/Catrock Odor Mitigation
S6252	FY2005 Levering Avenue Sewer
S6254	FY2005 College Avenue Sewer Study
W8241	FY2002 Augustine Ave/Elkridge Heights Rehab
W8249	FY2003 Meadowridge Rd Main Rehabilitation
W8252	FY2003 Beechwood Road Water Main Loop
W8257	FY2004 Elkridge Water Main Rehab/Replace
W8271	FY2006 Edgar Road Pumping Station Upgrade
W8272	FY2006 Bellanca Drive Water Main Rehabilitation

Fiscal 2006 Budget Summary

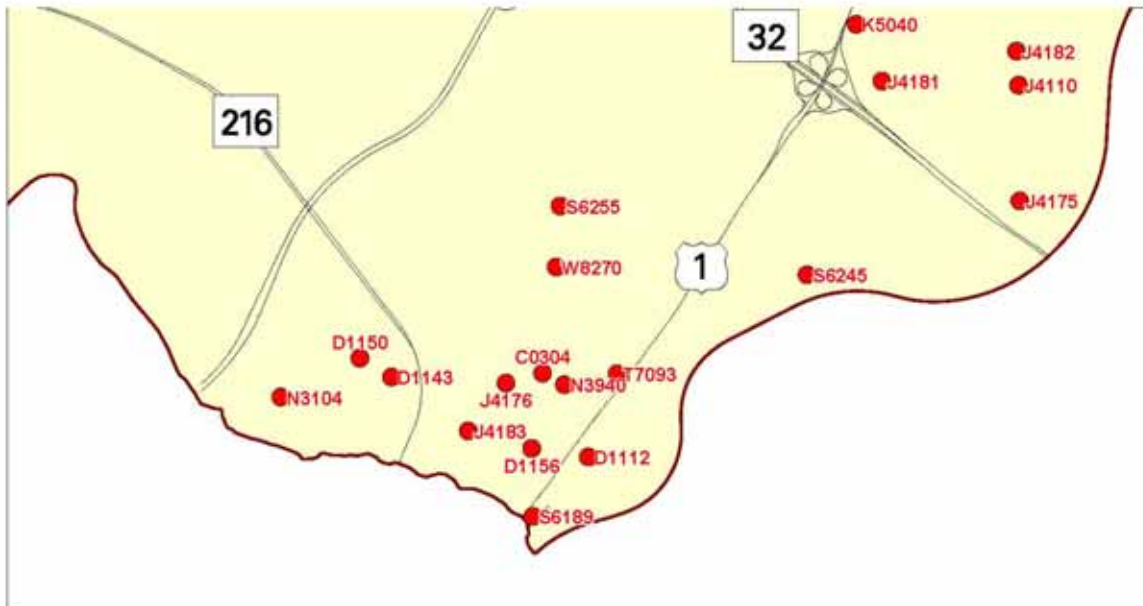
Ellicott City Area FY2006 Capital Projects Map



<u>Project #</u>	<u>Name</u>
B3835	FY2006 Henryton Road Bridge (H0-105)
C0182	FY1985 Public Safety Education Center
C0298	FY2005 US 40 Corridor Enhancement
C0299	FY2005 Waste Management Improvements
D1157	FY2006 St. John's Lane Vicinity Drainage Study
E0975	FY2002 New Northern High School
F5965	FY2006 Fire Station 3 Renovations
J4205	FY2006 Marriottsville Road Improvements
K5044	FY1999 St Johns Lane Sidewalk
S6226	FY2000 Tiber Branch/Catrock Odor Mitigation
S6253	FY2006 Carlee Run Court Sewer Extension
S6257	FY2006 MD Route 99 Sewer Extension

Fiscal 2006 Budget Summary

North Laurel Area FY2006 Capital Projects Map



<u>Project #</u>	<u>Name</u>
C0304	FY2006 North Laurel Park Community Center
D1112	FY1997 Davis Avenue Area Drainage Improvements
D1143	FY2004 Naylor Avenue Drainage
D1150	FY2005 High Ridge Drainage
D1156	FY2006 Madison Ave Culvert Replacement
J4110	FY2002 Dorsey Run Road South Link
J4175	FY2000 Guilford Road Improvements
J4176	FY2005 North Laurel Road
J4181	FY2003 Guilford Rd (Us1 To Dorsey Run Rd
J4182	FY2002 Dorsey Run Road Improvements
J4183	FY2005 Norfolk Ave Improvements
K5040	FY2005 Guilford Rd Pedestrian/Bike Improve
N3104	FY2004 Highridge Community Park
N3940	FY2000 North Laurel Park
S6189	FY2001 N Laurel Pump Station Renovations
S6245	FY2003 Nitrogen Loading Reduction
S6255	FY2006 Hammond Branch/Guilford Run Sewer Study
T7093	FY2003 Whiskey Bottom Traffic Improvements
W8270	FY2005 400 Zone Water Improvements

Fiscal 2006 Budget Summary

Savage Area FY2006 Capital Projects Map



<u>Project #</u>	<u>Name</u>
D1155	FY2006 Lincoln Drive At Cedar Villa Park Drainage
F5602	FY2005 Savage Firestation Addition/Renovation
J4110	FY2002 Dorsey Run Road South Link
J4143	FY1995 Winters Lane
J4175	FY2000 Guilford Road Improvements
J4181	FY2003 Guilford Rd (Us1 To Dorsey Run Rd)
J4182	FY2002 Dorsey Run Road Improvements
J4201	FY2006 Mary Lane Improvements
K5034	FY2001 Hunt Club Sidewalks
K5040	FY2005 Guilford Rd Pedestrian/Bike Improve
K5049	FY2004 Cedar Villa Heights Sidewalks
N3957	FY2005 Troy Park & Historic Rehabilitation
S6255	FY2006 Hammond Branch/Guilford Run Sewer Study
S6258	FY2006 Middle Patuxent Interceptor Protection
W8249	FY2003 Meadowridge Rd Main Rehabilitation
W8259	FY2003 Brentwood Manor Water Main Loop

Fiscal 2006 Budget Summary

Scaggsville Area FY2006 Capital Projects Map



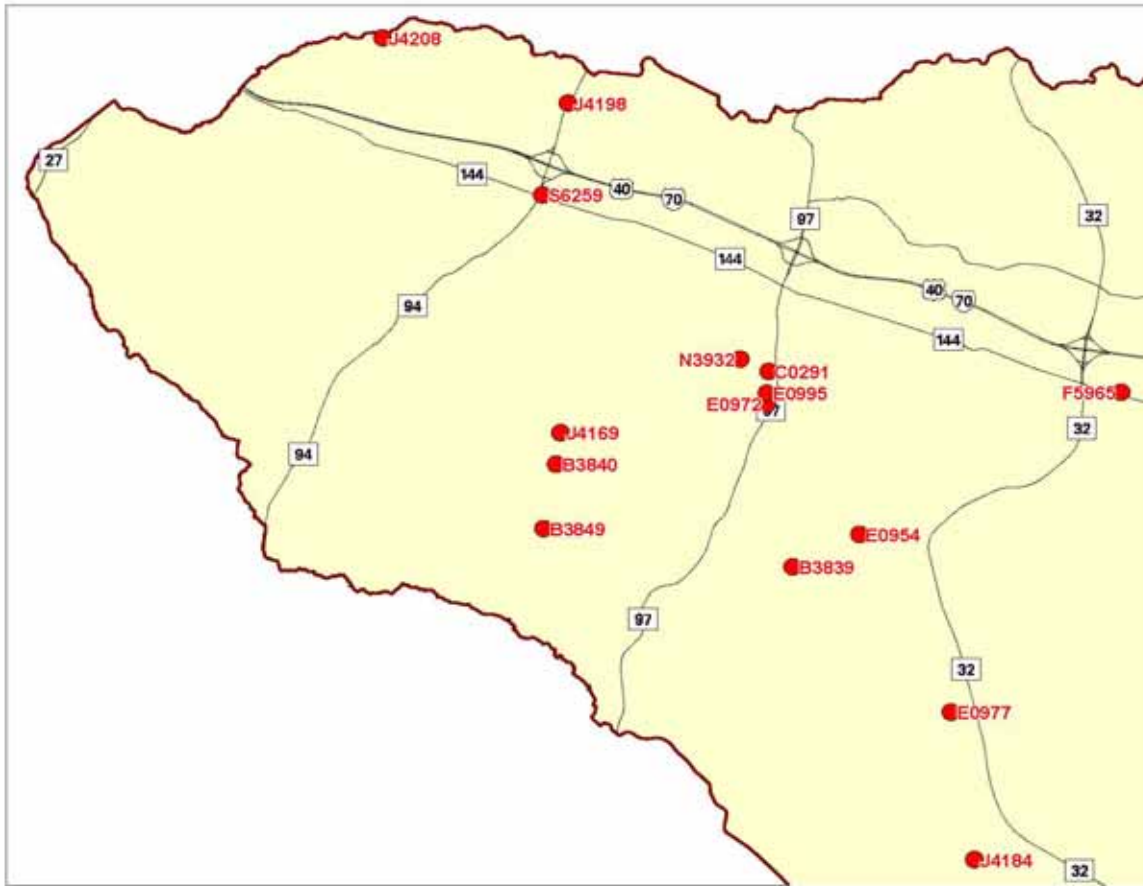
Project

Name

B3838	FY2006 Pindell School Road Bridge (H0-106)
C0306	FY2006 Grassroots Renovations
J4142	FY1998 Hall Shop Road Improvements
J4188	FY2006 Harding Road Roadway Improvements
J4191	FY2006 Mink Hollow Road Alignment Study
N3960	FY2006 Robinson Property Nature Center
P4922	FY2005 Specialty Vehicle Storage Bldg

Fiscal 2006 Budget Summary

Western County FY2006 Capital Projects Map



<u>Project #</u>	<u>Name</u>
B3839	FY1997 Shady Lane Bridge (H0-32)
B3840	FY1996 Daisy Road Bridge (H0-41)
B3849	FY1996 Daisy Road Bridge (Ho-38)
C0291	FY2003 Glenwood Community Center
E0954	FY1998 Glenelg High School Addition
E0972	FY2003 Bushy Park Elementary Replacement/Renov
E0977	FY2004 Western Elementary School
E0995	School Construction & Site Acquisition
F5965	FY2006 Firestation 3 Renovations
J4169	FY1999 Daisy/Warfield/Union Chapel Intersection
J4184	FY2004 Triadelphia Mill/Highland Intersect
J4198	FY2006 Woodbine/Weller Rd Improvements
J4208	FY2006 Watersville Road Slope Reconstruction
N3932	FY2000 Western Regional Park
S6259	FY2006 Lisbon Community Sewerage

About Howard County

History

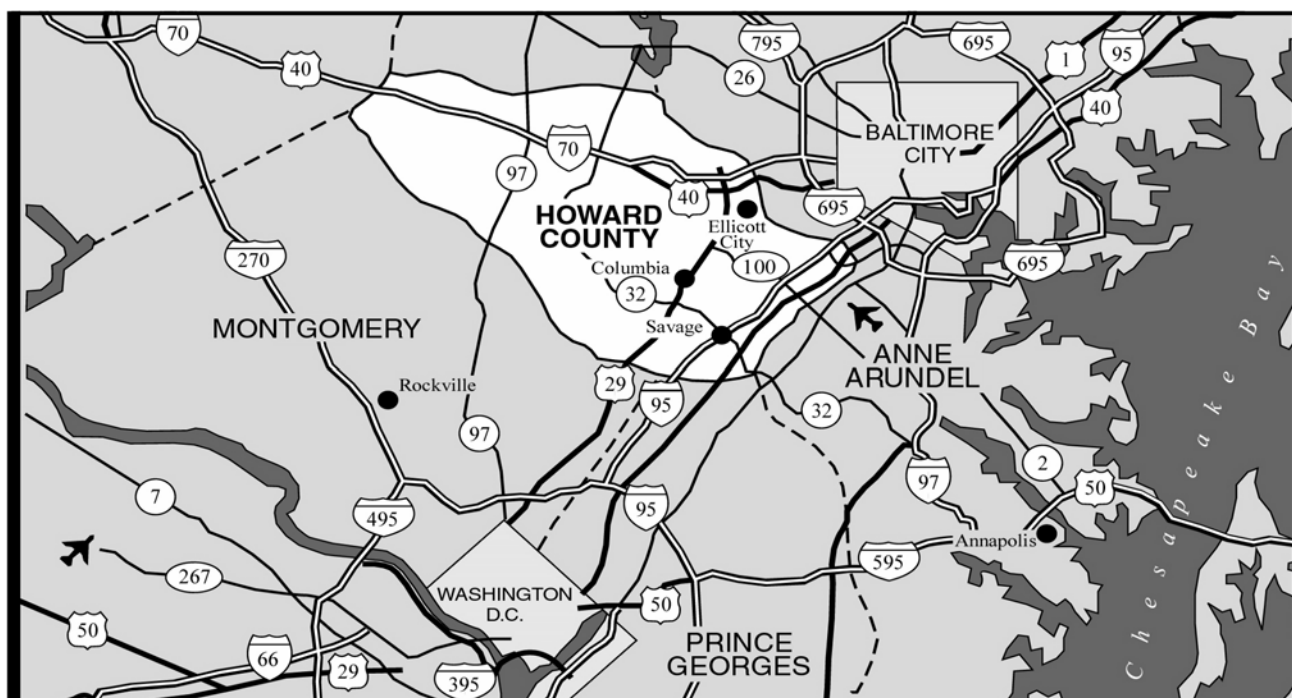
The County was formed in 1851, and bears the name of Colonel John Eager Howard, the fifth Governor of Maryland. Mills and ports along the Patapsco River, and the construction of the B & O Railroad through Ellicott City, played a significant part in the county's early development. The county was predominately agricultural in character until 1966, when construction began on the new town of Columbia. The county's population has grown approximately 500 percent since then, and is one of the wealthiest in the nation. Under a home rule charter since 1968, the county is governed by an elected County executive and five-member council.

Today

Howard County, Maryland is 251 square miles in area, and is home to approximately 264,290 residents. It is a unique mixture of urban, rural and suburban communities. The planned city of Columbia is a central part of the county landscape. The county is located directly between Baltimore, Maryland and Washington D.C. and its closest point is less than four miles from the former and 13 miles from the latter. Its location places the cultural attractions of both cities within an hours drive or less. These cities, together with Columbia, offer a

wide variety of theaters, museums, entertainment, and historical and natural places of interest. Visitors and residents alike are attracted by the Merriweather Post Pavilion, a dinner theater, the Rockland Arts Center, cinema, and a number of seasonal festivals. In Ellicott City, a major point of interest is the B & O Railroad Museum, the first terminus of the Baltimore and Ohio Railroad outside Baltimore City.

Howard County is situated in the heart of the dynamic corridor between Washington, D.C. and Baltimore, which combined comprises the fourth largest market in the United States. Howard County's ideal geographic location has resulted in the substantial growth of a wide variety of industries. A diverse business base thrives in the county, taking advantage of a friendly business climate, a highly educated workforce and superb quality of life. Howard County's corporate citizens range from high technology, telecommunications and biotechnology companies to multinational corporations, research and development firms, and wholesale distributors. The county's 7,000 businesses employ 135,000 workers and major private sector employers include The Johns Hopkins University Applied Physics Laboratory, Giant Food, Inc., Magellan Health Services, the Arbitron Company, W.R. Grace and SYSCO Food Services.



Fiscal 2006 Budget Summary

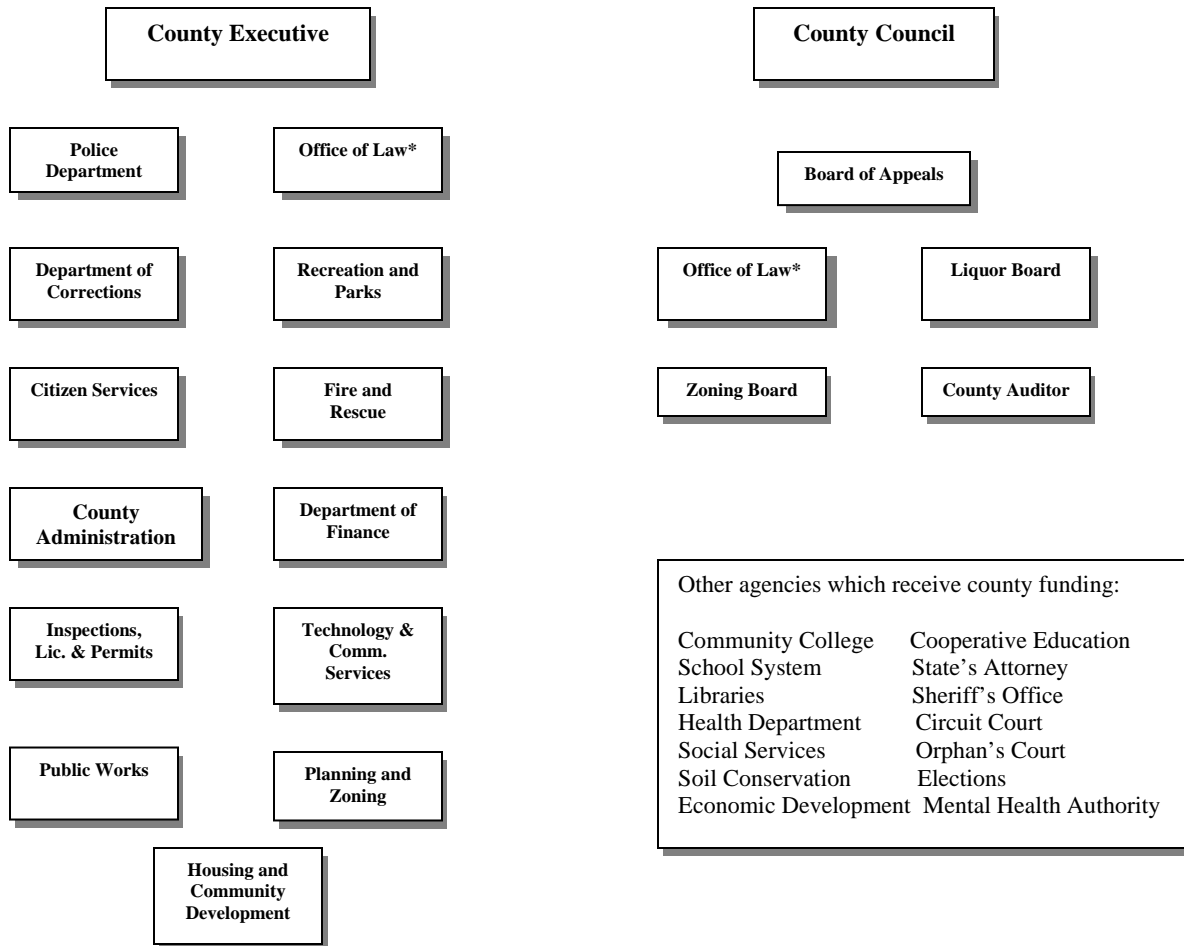
About the Government

There are no incorporated cities or towns in Howard County; all local government services are provided by the county government. The county is governed by an executive and a five member County council, all serving four year terms. The executive is elected at-large while the council is elected by legislative district.

Most day-to-day government operations such as police, public works and recreation are

under the direction of the County Executive. Other local agencies, such as the library system and health department, are largely funded by the county, but operate with varying degrees of independence. An elected board of education oversees the county public school system serving 48,000 students.

The organizational chart below shows major county agencies.



Organizational Chart

Advisory boards and commissions not shown

*The Office of Law represents both the County Executive and the County Council.

Fiscal 2006 Budget Summary

Local Elected Officials

County Executive

James N. Robey

County Council

Guy Guzzone, Chairman
David Rakes, Vice Chairman
Charles Feaga
Christopher J. Merdon
Ken Ulman

Department/Agency Officials

Education

Mary Ellen Duncan, Ph.D., President, Howard
Community College
Board of Education (*Elected Officials*)
Courtney Watson, Chairman
Patricia S. Gordon, Vice Chairman
Joshua M. Kaufman
Diane Mikulis
Mary Kay Sigaty
Sydney Cousins, Superintendent,
Howard County Public School System

Public Safety

Wayne Livesay, Chief, Dept. of Police
Melanie C. Pereira, Director, Dept. of Corrections
Joseph Herr, Chief, Dept. of Fire and Rescue
Services

Public Facilities

James M. Irvin, Director, Dept. of Public Works
Robert Frances, Acting Director, Dept. of
Inspections, Licenses & Permits
Marsha S. McLaughlin, Director, Dept. of
Planning and Zoning
Sharon Mariaca, District Manager, Soil
Conservation

Community Services

Susan Rosenbaum, Director, Dept. of
Citizen Services
Hope Jackson, Director,
Cooperative Extension Service
Dr. Penny Borenstein, Health Officer,
Health Department
Samuel W. Marshall, Director,
Dept. of Social Services
Valerie Gross, Director, Howard County Library
Gary Arthur, Director, Dept. of Recreation &
Parks
Donna Wells, Director, Mental Health Authority

General Government

Raquel Sanudo, Chief Administrative Officer,
Department of County Administration
Barbara Cook, Solicitor, Office of Law
Sharon F. Greisz, Director, Dept. of Finance
Nina Benz, Director, Technology and
Communication Services
Richard W. Story, Executive Director,
Economic Development Authority
Leonard Vaughan, Director, Dept. of
Housing and Community Development

Legislative and Judicial

Sheila M. Tolliver, Administrator,
County Council
Ronald Weinstein, Auditor, County Council
Diane O. Leasure, Chief Administrative Judge,
Circuit Court
Guy Harriman, President, Board of Elections

Elected Officials

Tim McCrone, State's Attorney
Charles Cave, Sheriff
Charles M. Coles, Chief Judge, Orphans'
Court
Margaret Rappaport, Clerk of the Court

Fiscal 2006 Budget Summary

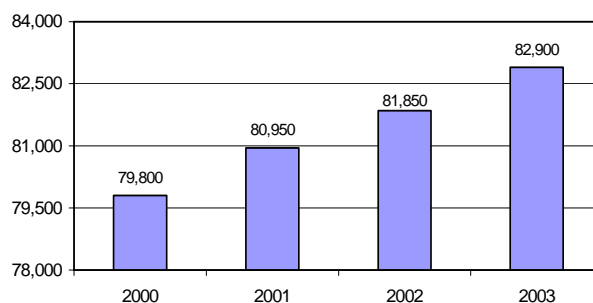
Economic Outlook

Fiscal 2005 began with a renewed optimism that the local economy had turned the corner and finally shaken the sluggishness that persisted throughout fiscal 2004. Unemployment in the county has remained below state and national levels, averaging 2.6 % thru December 2004. Businesses in every sector of the local economy have noted improved consumer spending and increases in discretionary spending by commercial customers. Real estate remains very solid and demand continues to outstrip the supply of new and re-sale homes. Home prices have increased by 17.3% in the last year locally. Increases in mortgage interest rates have had little effect on the market to date. This does not mean there are not areas for concern. Increased prices for fuels, higher insurance premiums and a tightening labor market are the most commonly noted by government and business alike.

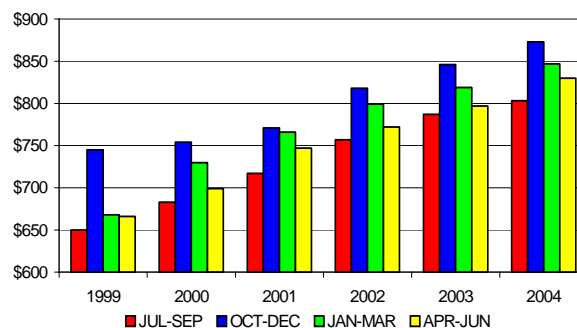
Local government revenues are headed for a decent year in FY2005. The full impact of the income tax rate increase is expected to push revenues from income tax beyond the \$240 million budgeted. Income tax in FY06 is expected to grow by 7%. Growth in the assessable base continues to be strong reflecting the strong demand for homes and increased home prices. Overall the assessable base is expected to expand by 12% in FY06, which will be limited to about 6% revenue growth because of the 5% cap. Direct state aid is expected to be restored in FY06 to prior year levels, but these revenues are such a small part of the total revenue stream that the increase will be insignificant. Other revenues are expected to remain relatively stable. Overall revenues are projected to grow by 8.7% in FY06. Although revenue growth remains healthy diligence is required, as spending requests far exceed revenues. One of the biggest concerns facing local governments is the rising cost of gasoline and health insurance, both items which are beyond its control. A significant increase in these items usually limits the spending on other needed items.

Economic activity for the first half of FY06 is expected to be modest, but a significantly stronger pace of growth (or weaker one for that matter) seems unlikely. The state of our economy remains good. The challenge lies in controlling spending requests, finding the middle ground that provides the services citizens have come to expect, and staying within the revenues available.

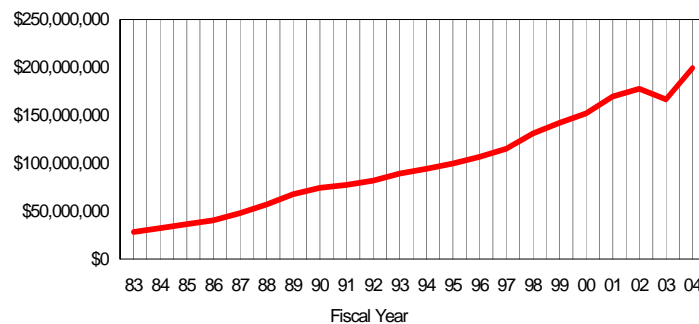
Median Household Income
Howard County 2000-2003



Average Weekly Wage of Individuals
Howard County Fiscal Years 1999-2004



Howard County Maryland
Local Income Tax Collections



Fiscal 2006 Budget Summary

Financial Indicators

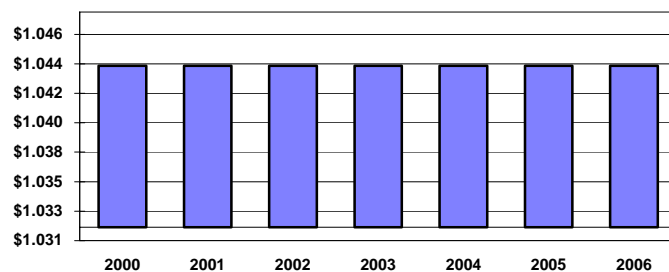
Property Tax Rate*

Fiscal Year Rate

2000	\$1.044
2001	\$1.044
2002	\$1.044
2003	\$1.044
2004	\$1.044
2005	\$1.044
2006	\$1.044

*Restated to reflect 100% assessable value

Property Tax Rate



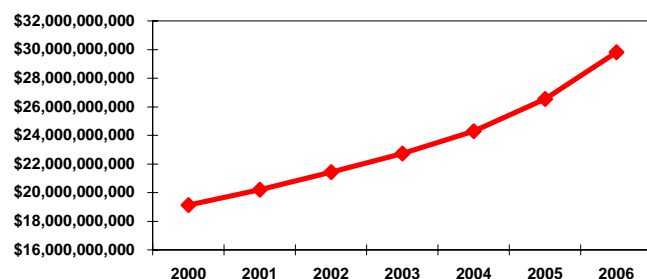
Assessable Base

Fiscal Year

2000	\$19,122,592,505
2001	\$20,210,472,678
2002	\$21,429,258,120
2003	\$22,734,223,288
2004	\$24,294,464,388
2005**	\$26,550,049,892
2006**	\$29,802,454,000

**Estimated

Assessable Base



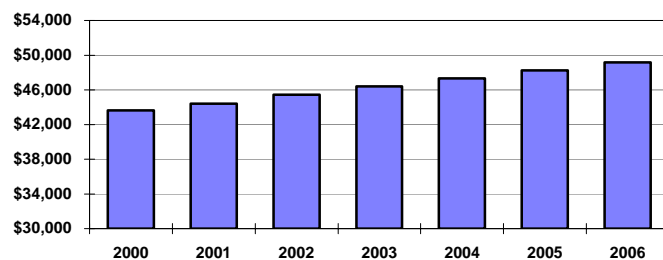
Personal Income Per Capita

Fiscal Year

2000	\$43,648
2001	\$44,429
2002	\$45,464
2003**	\$46,392
2004**	\$47,320
2005**	\$48,248
2006**	\$49,176

**Estimated

Personal Income Per Capita



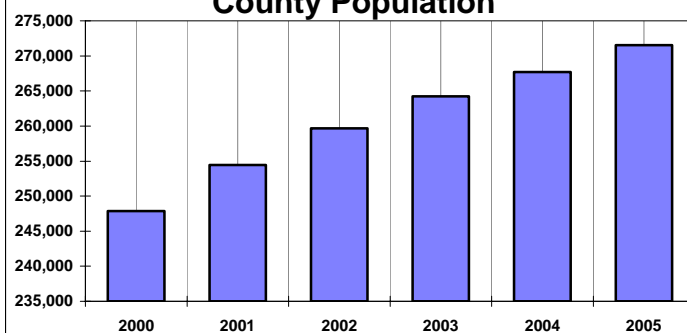
County Population

Fiscal Year

2000	247,842
2001	254,417
2002	259,693
2003	264,250
2004**	267,724
2005**	271,546

**Estimated

County Population



Fiscal 2006 Budget Summary

About the Budget Process

Adopting the county budget involves making choices about what local services should be funded and at what level. Our fiscal policy is based on the use of every tax dollar efficiently, emphasizing quality education, health, safety and welfare of all citizens, developing and implementing growth management tools consistent with the principles of the general plan and providing fiscal responsibility to ensure a solid foundation for the future. The Howard County Charter and the Maryland Constitution require a balanced budget, meaning revenues generated must cover the appropriated expenses.

The First Step: The Spending Affordability Advisory Committee

Each fall, as a first step in the budget process, the County Executive appoints a committee to advise him as he prepares the new budget. This committee, which is comprised of county residents and county officials who have expertise in financial matters, is charged with examining the economic and fiscal data, which are

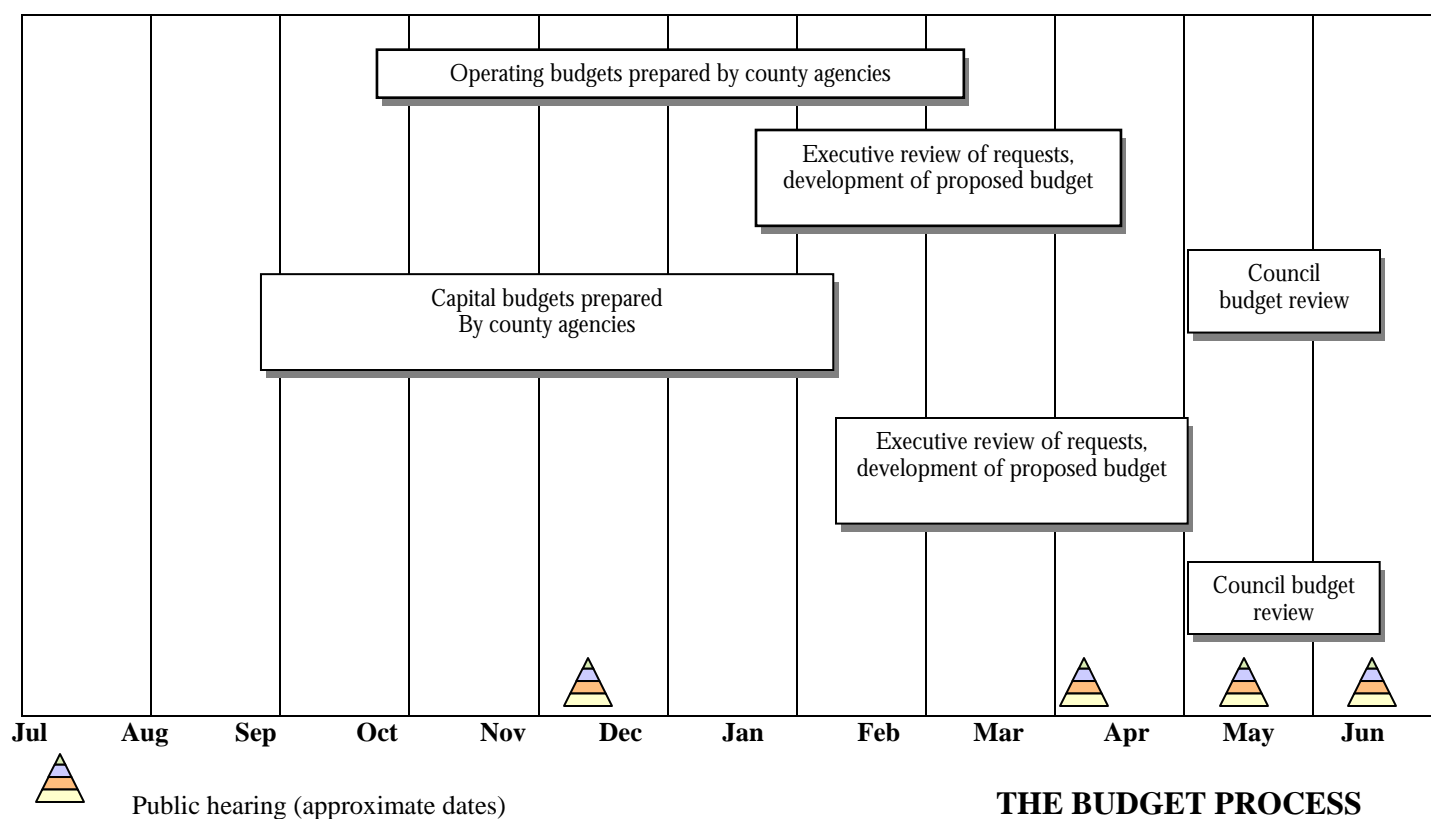
indicators of the economic condition in the county and to report on its findings, which shall be used as guidelines in setting revenue and spending levels for the upcoming budget.

The Second Step: Executive Development and Review

The public process begins in the fall when the County Executive invites county residents to express their budget priorities. county agencies develop budget requests and submit them to the executive by early March. The County Executive holds a second meeting in the spring to update the public on the budget in process. In April, the County Executive presents the proposed budget to the County Council.

The Third Step: County Council Review and Final Approval

The Council conducts a series of public hearings in April and May to review the Executive's proposed budget. Local taxpayers are given opportunity to comment on the budget before the Council takes action.



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The County Council can reduce the Executive's budget, but not increase it, except in the case of the Department of Education's budget. Here the Council may restore funds back to the level requested by the school board.

The capital budget follows a similar process of hearings. In addition, this budget is reviewed by the Planning Board. The sites of all new or substantially changed projects are posted, the projects advertised, and the board holds a public hearing in February.

After its review, the County Council finalizes the entire budget. The Council sets tax rates needed to generate enough revenue to balance the budget.

During the Year: Amending the Approved Budget

Once the budget is approved, it can only be amended by the County Council upon the request of the County Executive.

The operating budget may be amended through the use of Supplemental Budget Appropriation Ordinances (SAOs). The County Executive request, at any time during the budget year, that a SAO be approved by transferring funds from the county's general contingency reserve to an operating budget account. The county may not increase the bottom line of the budget through this process except in emergencies. During the last quarter of the fiscal year only, the County Executive may request the County Council to transfer funds from one county agency to another.

The capital budget of the county may be amended through the use of Transfer Appropriation Ordinances (TAOs). The County Executive may request, at any time during the year that a TAO be approved by transferring funds from one capital project to another. At no time may the bottom line of the capital budget be increased.

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Fiscal 2006 Operating Budget Calendar

Dates	Items
December 16, 2004	Citizens' Budget Meeting
January 6, 2005	Fiscal Year 2005 Operating Budget Kickoff
February 10, 2005	Budget requests due from all departments
February 23 - March 5, 2005	Office of Budget Review of Departmental Requests with the County Executive
March 10, 2005	County Executive's Citizens' Budget Meeting
March 15-26, 2005	Department heads meet with County Executive to review budget process
March 29 - April 9, 2005	County Executive to make final decisions on the operating budget
April 18, 2005	Operating Budget presented to the County Council

Fiscal 2006 Capital Budget Calendar

Dates	Items
October 14, 2004	County agencies submit detailed descriptive forms for new capital projects to the Assistant to the Director of Public Works, for costing and coordination
November 3, 2004	Agencies submit changes to existing projects to the Director of Public Works
December 3-9, 2004	Project forms complete Public Works reviews Projects
December 16, 2004	Executive hold initial Citizen's Budget Meeting
December 13-31, 2004	Director's Office, Public Works reviews/compiles/reproduces draft budget
January 3, 2005	Public Works submits capital budget requests to Chief Administrative Officer (Budget Office)
February 1, 2005	Executive transmits departmental budget requests to Planning Board
February 15, 2005	Planning Board hearing on capital budget requests
March 1, 2005	Planning Board recommendations to Executive
March 10, 2005	Executive holds Citizens' Budget Meeting to review Operating and capital budget requests
March 1-22, 2005	Executive reviews and makes final decisions on Capital budget Deadline (90 days prior to end of fiscal year) for executive to submit Proposed Capital Budget to County Council
April – May 2005	Council hearings and work sessions on capital and operating budgets
June 1, 2005	Deadline for Council budget approval (no later than 1 st day of the last month of the fiscal year)

Fiscal 2006 Budget Summary

How the budget book is organized

The summary section in the front of the book provides an overview of the entire operating budget. It includes a message from the County Executive, answers to frequently asked budget questions and highlights of County agency budget, and other summary information. Following the summary, the budget book is divided into the sections listed below. A table of contents for each section is included after the section dividers.

EDUCATION

- Public School System
- Community College

PUBLIC SAFETY

- Police Department
- Corrections
- Fire & Rescue Services

PUBLIC FACILITIES

- Planning and Zoning
- Public Works
- Inspections, Licenses & Permits
- Soil Conservation District

COMMUNITY SERVICES

- Recreation & Parks
- Citizen Services
- Transportation Services
- Libraries
- Health Department
- Mental Health Authority
- Social Services
- Cooperative Extension Service
- Community Service Partnerships

LEGISLATIVE & JUDICIAL

- County Council
- County Auditor
- Liquor Board
- Zoning Board
- Circuit Court
- Orphans' Court
- State's Attorney
- Sheriff's Office
- Board of Elections

GENERAL GOVERNMENT

- County Executive
- County Administration
- Finance
- Office of Law
- Economic Development Authority
- Technology and Communication Services
- Housing and Community Development
- Employee Tuition Reimbursement

CAPITAL, DEBT SERVICE & RESERVES

- Debt Service
- Pay-As-You-Go-Funds
- Rainy Day Fund Contribution
- Contingency Reserve
- Grants Fund Contingency

RESTRICTED FUNDS/STATEMENTS

- Capital Funds
- Special Revenue Funds
- Enterprise Funds
- Internal Service Funds
- Statements

REVENUE

- Taxes - Local Property
- Taxes - Local Other
- Taxes - State Shared
- Licenses & Permits
- Revenues from Other Agencies
- Charges for Services
- Fines and Forfeitures
- Revenues from Use of Money & Property
- Interfund Revenue Reimbursements
- Other Revenue

GLOSSARY

- Glossary of Budgetary Terms

About Governmental Budgeting

Simply stated, a budget lists what the government plans to spend over the next year, and where the money to pay for these expenses will come from. The form of the budget is influenced by the rules of government accounting, legal requirements and other factors.

At the heart of government finances is the concept of fund accounting. Governments create funds to account for related expenses and revenues. For example, the Water and Sewer Operating Fund contains the budget to run the county's water supply and wastewater treatment system and the revenues collected (primarily user charges) to pay for the system.

The Howard County budget is actually two separate budgets; the operating budget contains most of the daily operations of county government, the capital budget covers construction of major government facilities. *A summary of the Capital Budget begins on page 25 of this summary.*

The Operating Budget

As the name implies, this budget includes the day-to-day operation of county government. The operating budget contains a number of separate funds:

General Fund

The general fund is probably the most visible part of the county budget. It includes the budgets to pay for police protection, run the school system, plow the snow, operate the county jail, provide grants to community social service agencies and a host of other activities. The revenue to support the general fund comes primarily from local property and income taxes.

Restricted Funds

All funds other than the general fund are collectively referred to a "restricted funds" in the operating budget book. The restricted funds include:

Enterprise Funds: some government operations are fully supported by revenues they generate. The recreational special facilities fund (golf course) and

utilities fund are examples of enterprise funds in the county budget.

Special Revenue Funds: a number of county revenues can only be spent for specific purposes. For example, the county's one percent transfer tax is dedicated to serve specific activities including agricultural land preservation, park acquisition and development, community renewal, school site acquisition and construction, and fire protection. These monies are budgeted and spent through special revenue funds in this section.

Internal Service Funds: Some Government departments operate purely to support other local agencies. For example, the risk management fund provides insurance coverage for county government agencies and charges them for the cost. Other internal funds include data processing, radio and print shop operations.

Capital Funds: Although the capital budget covers all county capital construction projects, the cost of the projects and a listing of all revenues is included in the operating budget book under the restricted funds section. There is a capital project fund for most major capital project categories; related projects are often combined.

Basis of Accounting and Budgeting

Howard County conforms to generally accepted accounting principles (GAAP) as applicable to government units and has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association. Governmental and agency funds are maintained and reported on the modified accrual basis of accounting. Revenues, including property, local and state shared taxes, investment income and revenues from other governments, are recorded when they become both measurable and available. Available means collectible within the current period or soon thereafter to be used to by pay liabilities of the correct period. All other revenues are generally not susceptible to accrual because they are not measurable in advance of collection.

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Expenditures are recognized in the accounting period, in which the fund liability is incurred, if measurable, except for principal and interest on long-term debt, which are recorded when paid.

The Proprietary, Pension Trust and Community College funds are reported on the accrual basis of accounting, except that no depreciation has been provided on Community College plant and equipment. Under this method of accounting, revenues are recognized when earned, and expenses are recorded when liabilities are incurred. In the Enterprise Funds, an estimated amount of user charge is recorded for services rendered but not yet billed at year-end. In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Fund and Other Governmental Entities that use Proprietary Fund Accounting," the primary government has elected not to follow any pronouncements issued by the Financial Accounting Standards Board since November, 1989.

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Performance Measures

Howard County is committed to providing the best service possible to the public in the most efficient manner. The budget provides the community at large with information on where tax dollars are spent and where the revenues to support spending originate. Little commentary is provided with regard to what is accomplished with the money allocated. This page is intended to provide an alternative view of what has been achieved with the resources allocated. Data presented on this page may vary in the time periods depicted therefore; each item includes the time periods represented. Terms are defined in the Glossary.

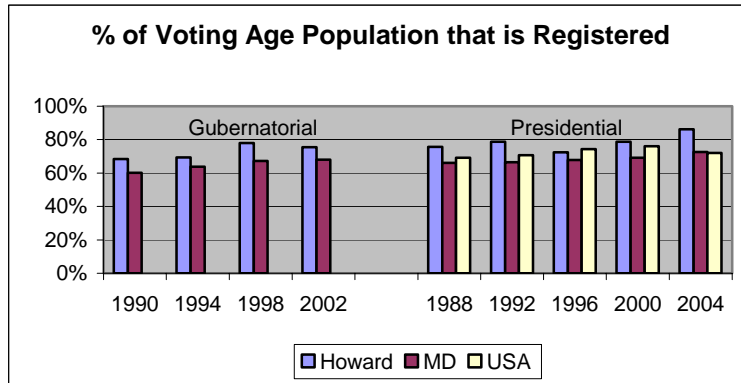
Summary of Police Efforts and Accomplishments, Calendar Years 1999 thru 2004

Calls for Service Handled	1999	2000	2001	2002	2003	2004
Calls for Service	109,085	114,828 5.26%	119,044 3.67%	129,180 8.51%	128,809 -0.29%	121,165 -5.93%
Authorized Sworn Strength	328	328 0.00%	345 5.18%	359 4.06%	359 0.00%	370 3.06%
Sworn per 1000 residents	1.37	1.32 -3.40%	1.35 1.95%	1.38 2.42%	1.37 -1.11%	1.39 1.56%
Calls per 1000 residents	456	463 1.68%	466 0.49%	497 6.81%	490 -1.39%	455 -7.31%
Population	239,404	247,842 3.52%	255,698 3.17%	259,780 1.60%	262,693 1.12%	266,583 1.48%
Major Crimes (Part I Crimes)	1999	2000	2001	2002	2003	2004
Total Major Crimes	7,709	7,770	8,411	7,784	7,500	7,427
Major Crimes per 1000 residents	32.2	31.4	32.9	30.0	28.6	27.9
% Increase/Decrease		-2.64%	4.92%	-8.91%	-4.72%	-2.42%
Total Part II & III Crimes	11,346	11,492	10,923	11,033	10,721	10,919
Part I & II per 1000 residents	47.4	46.4	42.7	42.5	40.8	41.0
% Increase/Decrease		-2.16%	-7.87%	-0.58%	-3.91%	0.36%
Arrest Data (Major/Part I)	1999	2000	2001	2002	2003	2004
Juvenile	582	658	669	555	542	567
Part I & II per 1000 residents	2.4	2.7	2.6	2.1	2.1	2.1
% Increase/Decrease		9.21%	-1.45%	-18.34%	-3.43%	3.09%
Adult	778	782	861	954	896	981
Part I & II per 1000 residents	3.2	3.2	3.4	3.7	3.4	3.7
% Increase/Decrease		-2.91%	6.72%	9.06%	-7.12%	7.89%
Total Part I Arrests	1,360	1,440	1,530	1,509	1,438	1,548
Part I & II per 1000 residents	5.7	5.8	6.0	5.8	5.5	5.8
% Increase/Decrease		2.28%	2.99%	-2.92%	-5.76%	6.08%
All Other Arrests(Parts II & III)						
Juvenile	1,352	1,736	1,580	1,275	1,493	1,377
Part I & II per 1000 residents	5.6	7.0	6.2	4.9	5.7	5.2
% Increase/Decrease		24.03%	-11.78%	-20.57%	15.80%	-9.12%
Adult	4,760	5,625	5,417	5,178	3,867	4,005
Part I & II per 1000 residents	19.9	22.7	21.2	19.9	14.7	15.0
% Increase/Decrease		14.15%	-6.66%	-5.91%	-26.15%	2.06%
Total Part II & III Arrests	6,112	7,361	6,997	6,453	5,360	5,382
Part I & II per 1000 residents	25.5	29.7	27.4	24.8	20.4	20.2
% Increase/Decrease		16.33%	-7.87%	-9.22%	-17.86%	-1.05%

Fiscal 2006 Budget Summary

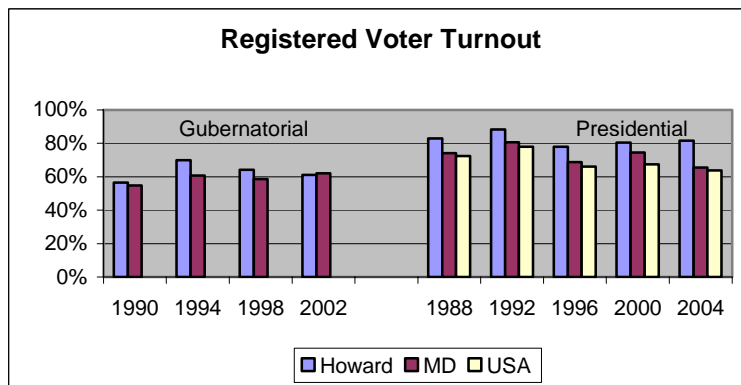
Board of Elections

Two of the most important things an election office can do is register it's citizens and then get those registered voters to actually vote. The first graph looks at voter registration for the last nine election years. This graph compares Howard County to Maryland and to the USA. It shows that Howard County has out-registered the State and the Nation in every one of those election years except 1996. The goal for the elections office is to out-register Maryland and the USA in the next election year, which is 2006



The graph below reflects the election office's other main objective-getting those that are registered to actually vote. It shows the percentage of registered voters who actually got out to vote. This is where the election office has really excelled. Howard County's voter turnout numbers have outpaced the State and the Nation by huge amounts in each of the last nine election years. The objective for the elections office is to continue to outperform Maryland and the USA.

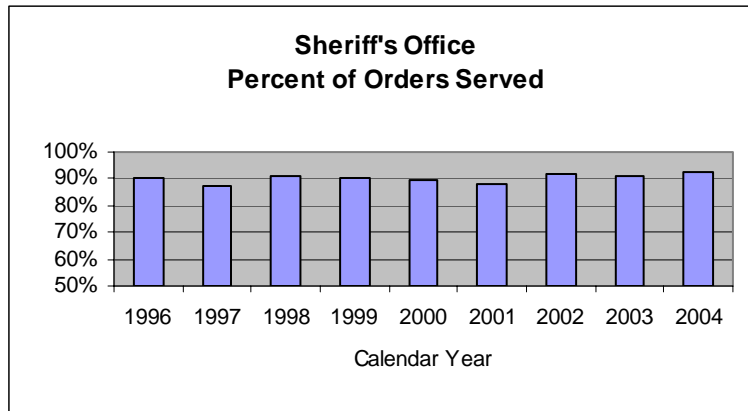
In the future Howard County should continue to outperform the State and the Nation in registration and voter turnout. However that wide margin will probably shrink because of the Help America Vote Act (HAVA).



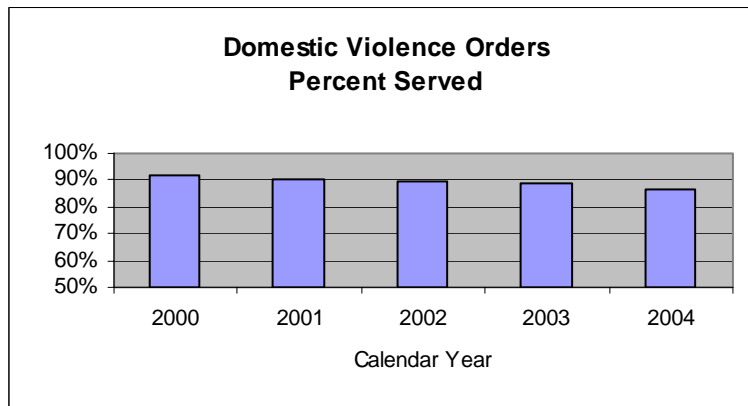
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Sheriff's Office

The Sheriff's Office receives and then serves civil orders, criminal orders, writ of executions, orders of ejection/restitution, and summonses. Many of the servees are difficult to find. A good performance measure for the Sheriff's Office is the percentage of servees they can track down. The following chart shows that percentage.



The chart above shows how well and consistent the Sheriff's Office has been over the last nine years. Domestic violence order servings are another important function of the Sheriff's Office. However while the information above is exclusive to the Sheriff's Office, domestic violence servings are not. The Sheriff's Office handles over 80% of the domestic violence orders it receives with the remaining 20% being handled by the Howard County Police Department and other jurisdictions. The graph below shows how well domestic violence orders are being served by all servers.



Fiscal 2006 Budget Summary

Summary of Fire & Rescue Efforts and Accomplishments, Calendar Years 2002 thru 2004

Item	CY2002	CY2003	CY2004
Response Information			
Incidents	25,914	26,250	26,134
% Change		-1.30%	-.44%
Unit Responses	50,206	51,875	53,331
% Change		3.32%	2.81%
Incident Detail			
Fire	1,167	879	984
% of total incidents	4.50%	3.35%	3.77%
EMS	16,977	17,170	17,041
% of total incidents	65.51%	64.41%	65.21%
Rescue	536	INA	INA
% of total incidents	2.07%	0.00%	0.00%
Other	7,234	8,201	8,109
% of total incidents	27.92%	31.24%	31.03%
Station Staffing (Average On-Duty Career Staffing)			
January-March	58.23	57.79	57.18
April-June	57.14	57.23	INA
July-September	57.33	58.98	57.18
October-December	57.61	57.32	56.76
Average staffing for the calendar year	57.49	57.81	57.09
Apparatus Staffing			
<u>Career Stations – Stations 7, 9, 10 & 11</u>			
Engine			
Total Unit Responses	8,379	8,941	9,427
Responses with less than 3 personnel	169	106	149
Special Services (Tower/Ladder/Squad)			
Total Unit Responses	2,590	3,066	3,036
Responses with less than 4 personnel	637	300	473
<u>Combination Station - Sta. 1, 2, 5, 6, & 8</u>			
Engine			
Total Unit Responses	8,104	9,021	8,753
Responses with less than 3 personnel	526	393	359
Special Services (Tower/Ladder/Squad)			
Total Unit Responses	1,598	1,078	1,909
Responses with less than 4 personnel	810	466	938
<u>Volunteer Stations – Stations 3 & 4</u>			
Engine			
Total Unit Responses	1,028	1,441	1,370
Responses with less than 3 personnel	130	195	153
Special Services (Tower/Ladder/Squad)			
Total Unit Responses	INA	49	161
Responses with less than 4 personnel	INA	12	43

Fiscal 2006 Budget Summary

Items	CY2002	CY2003	CY2004
Public Education Activities			
Kids' Safety House			
Events	21	41	105
People	4,672	5,840	5,902
Child Seat Installs/Inspections	1,585	950	775
Juvenile Fire Setter Prevention Program	41	15	13
Train Garden & Open House-Attendees	10,000	11,000+	15,000
Life Safety Activities			
Building Inspections	489	829	652
Fire Investigations	112	106	164
Public Presentations	5	51	174
Community Relations Unit (CRU)			
Fire Extinguisher Training			
Events	96	33	12
People	861	1,160	348
Blood Pressure Screening			
Events	48	49	16
Attendees	759	606	240
Public Education			
Children Oriented			
Events	8	4	3
Attendees	812	250	575
Adult Oriented			
Events	8	4	3
Attendees	584	200	1,031
Emergency Incident Responses	431	430	575
Fire and Rescue Expo			
Events	1	1 (FD & PD)	1 (FD & PD)
Attendees	2,200	6,000	6,000

Fiscal 2006 Budget Summary

Reading a typical budget page

A typical county agency has several sub-units; they may be called divisions or office, but they are all referred to as organizations in the county budget system.

Within sections listed above, the operating budget book is designed to present: a summary page for each agency followed by one page for each organization in the agency.

Many county agencies operate in more than one budgetary fund. For example, the Department of Police has organizations in the general and grants funds. These are all included in the Public Safety section of the budget book. Where an organization is not part of the general fund, the description section of the budget page indicates the appropriate fund.

A Typical Budget Page

The name of the Agency or Department →

Describes the activities of this organization →

Summarizes the budget of this agency.
For organization pages Shows budget by type of expense (such as salaries, supplies and materials, etc.) →

Fiscal 2000 Budget						
Public Safety Police Department — Summary						
Description	Highlights					
The Police Department is responsible for providing comprehensive, 24-hour service to county residents. Responsibilities include crime prevention, orderly and safe traffic flow, investigation of criminal and traffic violations, maintenance of public order and safety, apprehension and arrest of violators, education of the public on prevention of activities and requirements of and conformance with the law and the resolution of problems and issues and concerns of the citizenry as they relate to law enforcement. In addition, to these direct services, the department also maintains records and reports on all activities, cooperates with other law enforcement agencies in the analysis of data and public safety activities, assists other county and State agencies when requested and performs support and administrative functions necessary to the efficient operation of the department. The department is organized into functional units consisting of the Office of the Chief, Animal Matters Hearing Board, Animal Control Division, Administration Command and Operations Command.	FY00 funding is included for six (6) sworn positions, six new vehicles, support equipment and uniforms, safety equipment, radar for traffic enforcement, helicopter support through a regional effort with Anne Arundel County, matching funds for several community oriented grants and continuation of the Red Light Reduction program.					
Budget	FY 1998	FY 1999	FY 2000	FY 2000	FY 2000	FY 2000
	Audit	Authorized Budget	Estimated Expenditures	Departmental Request	Executive Proposed	Council Approved
Department of Police	26,224,885	29,871,270	29,871,270	33,195,985	31,687,053	31,587,053
General Fund	660,411	2,296,750	2,296,750	2,330,185	3,093,625	3,093,625
Grants Fund	10,116	60,000	60,000	60,000	60,000	60,000
Trust & Agency Multi. Fund						
Total	26,895,412	32,228,020	32,228,020	35,586,170	34,840,678	34,740,678

← The name of the organization (account) number also shown here for organization pages)

← Highlights important aspects of the next budget year.

Last year's actual budget
Current year's budget
Estimate of what will be spent in current year
Amount requested for next year by the Dept.
Amount the County Executive proposes for next year
Approved budget for next year